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The Indian Institute of Public Administration was established in March 1954 under the presidentship of Late Shri Jawaharlal Nehru, Prime Minister of India. The Institute has been recognised as the National Section for India of the International Institute of Administrative Sciences. Regional Branches of the Institute have been established in Andhra Pradesh, Gujarat, Madras, Maharashtra, Mysore, Orissa, Punjab, Rajasthan and U.P.; and Local Branches at Jammu-Srinagar, Nagpur, Patna, Poona, Shillong, Trivandrum and Vallabh Vidyanagar.

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#### ANNUAL ADDRESS BY THE PRIME MINISTER\*

**F**RIENDS of the Institute: I am very grateful to you that you have run through the business of this meeting with speed and brevity. That is not only a recognition of things but also adaptation to our work. We often recognise things but do not adapt ourselves too well to them. You have been good enough to elect me again as your President and I thank you for it, though I must confess that this honour is singularly ill-deserved, in the sense that apart from attending the annual meeting, I do not perform any useful function for the Institute. Still, if you think this attendance itself is of some use, I will be glad to agree.

The question that is naturally filling my mind, and the minds of many amongst you, is how we can deal in its various aspects with the present crisis and emergency which we are facing. Because it is indeed a vital matter for us as to how we function. We have had many difficulties ever since we gained independence—economic difficulties and others. We have faced them and managed to carry on. The present crisis, however, is of a new kind, a novel kind, and we have to adapt ourselves to it and prepare ourselves, whatever the demands may be on us, with extreme rapidity. I am just thinking how this Institute can help in this crisis. This Institute is largely a thinking body; a teaching body too, not directly engaged in executive or other activities. Still, even the thinking part is important. Indeed, it is always important. And, I should like your Executive Council to consider how you can help in our meeting this crisis. Obviously, most of you are not going to don a uniform and become soldiers and go to the front. But, as an Institute dealing with Public Administration, you can help by giving thought to the way the public administration can function in a crisis of this kind. It has to function with speed of course, and it has to relax, or change many of our rules which are time-consuming.

\*At the Eighth Annual General Body Meeting of the Institute held on October 29, 1962.

It is true that war is a bad thing. But, when one's country is attacked, there is no choice left about it: one has to defend for, to submit to it means the death of the soul of a nation. I am sure that India would never do that. We may look forward; we may work for peaceful solutions, but they must be in conformity with our honour and our integrity. What I am suggesting to you and your Executive Council is to think definitely and deliberately of how our procedures can be expedited and tightened up. In such situations, where one has to meet very difficult and urgent problems and decide quickly, we have to not only think correctly but lay down procedures that are both rapid and effective and as good as we can make them. And, I am sure, if you think of that you will be able to offer suggestions which may be very helpful to Government. Naturally, Government itself is thinking of these things and from time to time, day to day almost you will hear of some new actions or new methods of procedures, etc. being introduced by Government. Only recently, two or three days ago, the President issued an Ordinance—the Defence of India Ordinance, which is a very far-reaching one—normally only issued in war time. We may not be technically at war—we did not declare war, although we have been attacked in a war-like manner and we have to defend ourselves and are defending—the fact of the matter is that in effect we are. For various reasons—I think good ones—we have not made a declaration to that effect, and it is not necessary at the present moment that we should do so. It does not come in our way. So, we do not propose to do so for the present; I do not know about the future.

War brings all kinds of burdens and problems. It brings an enormous increase of expenditure in war-like activities, which concern many branches of Government. It means a tremendous increase in production not only in weapons of war, not only in our procuring these weapons of war, in addition to our production of them, as much as we can, but also of various other goods, which are connected with war. You can say food is an essential thing, of course, and must be produced. That is our normal desire too—to increase the production of food and food articles. It becomes much stronger and more urgent in a crisis of this kind. Clothing, boots, and I do not know how many things we require, it is a long list, because, it is no longer military operations at the front alone which matter. Each person at the front has to be supported by—I do not know how many—dozens, hundreds of people behind the lines, and it is of the utmost importance that the apparatus of production should function rapidly and smoothly. We have production in our public sector and in the private sector. Both have to be co-ordinated and directed to this one urgent and vital aim,

viz., to produce generally, but specially for anything required for these operations.

Then the other very important aspect is prices. We should do our utmost to keep the prices low—not allow them to increase. That is no easy matter when we may have to indulge in deficit financing. We cannot help it. Therefore, inevitably some methods of control and distribution become necessary. Sometimes people argue as to the desirability of controls; some are for and some are against it. But we have passed that stage of argument in the emergency that we face. We have to have controls—what controls I cannot say now. We have to face this problem of control of important commodities. Usually during war many people slip into wrong paths, taking advantage of the crisis of the nation and leaving the path of integrity. It is particularly necessary that we must see to it that this does not happen, in any small or big way. All these are matters which might well be considered by your Executive Council and suggestions as to what should be done made to the Government as well as to the public. I am sure that will help us all.

You know of certain proposals made by Government, certain steps taken. Some of you have just been given some prizes, and out of the prizes a part has been given to the National Defence Fund. Then, there is talk about gold being given—it is a very important one—and also there is some talk about some bonds being issued for gold and so on and so forth. I should like to say, in this connection, that in this moment of this great burden that is carried by us, nothing has heartened me and delighted me more than the magnificent response of the nation. It is natural. But, I know that the representatives of foreign countries and people in foreign countries have been agreeably surprised at the response in India. Now that is a basic thing which we must have—the response of the people generally. It is not a case of a few rich men, or even modestly rich men, giving part of their riches, but the poorest are taking part in it. Every morning during the course of the day, I have a stream of people coming to me—little children of 7 or 8 giving the little money they have—maybe a few rupees collected in the course of some months—the workers and others. This is a good sign. The President every day sends me what he has collected—which is given to him during the course of the day—not only money but gold and jewellery, etc. That is happening all over India. I think that shows—if anybody had doubts—that basically our country and our people are not only sound but full of that vital energy that a living nation should possess in facing a crisis. People seem to forget this and get wrapped up in our petty conflicts based on religion or caste or language or provincialism. Suddenly, we have risen above

them; we are rising above them and that is the test, after all, of the people—whether they can rise when the demand is made to them. We have risen and because of that we can speak confidently of the future. I cannot say how long this crisis will last. What I have said and what I felt was that it is not a short one. No one can expect it to end quickly. So we have to be prepared for a long long period and it is a heavy time we shall all have and we shall have to work hard and with grim determination. But I am confident and certain in my mind that however long this may last, we shall win in the end and triumph. This confidence has been strengthened a hundred- and thousand-fold by the magnificent and splendid response that has come from all the people. Now the question is, as it has often been said, how we can utilise this response and not allow it to fritter away? Also, such a response coming suddenly is one thing, but to keep the spirit and morale of the nation in trim for lengthy periods is a more difficult task. But I am convinced that it will be done and will happen.

It is often asked: Why did we not prepare ourselves for the ordeal that we have faced? Why did we have to submit to some serious reverses on our frontiers? It is a legitimate question and I do not know if there is any adequate answer for it. But I will submit to you that we have a fine Army—a good Army which has done very well. But the fact of the matter is that we have been conditioned for long time past not to think of war. We may theoretically think of it, we may think of a slight operation here and there but not of a major war and all our thoughts have been directed towards building up the economy of the country—development, Five Year Plans, etc. We spent some money for our Defence Services but in terms of war that is very little and always we held the view that any major diversion to a possible war effort would have bad consequences for our Plans. We talked of peace everywhere and we felt that way and we felt the importance of it too. To us the idea of devoting all our strength and resources to a war effort did not appeal. Because even from the point of view of war that is not carried on by weapons alone, which we would buy or get from abroad, but it can only be carried on by the industrial strength of the nation—the productive capacity. So, even from that point of view, our Five Year Plans are vital whatever other consequences we aimed at. Therefore, we concentrated on that and hoped, possibly it was wishful thinking, that no war of this type would face us.

We certainly have done a good deal in increasing our Defence production—production of weapons, etc., because you will remember that till we became independent all our Defence Forces were practically controlled and guided by Whitehall, not only that all our policies were laid down in Whitehall and the officers here merely carried out

directions. What was more important was that the British Government did not encourage the production of Defence material here. Certain circumstances forced them to do something during the Second World War when they could not get them from England. Even then, there was always a reluctance to produce them here, and we had to rely on Britain for those arms and equipment. That is how we were when we became independent. Ever since then we have tried to build up industry for the production of arms and Defence equipment, and what is very important is that we have built up a fairly strong Defence Science Organisation. There is not merely a question of producing a rifle or something like that; our scientists have to keep abreast of weapons which are much more sophisticated. We cannot produce them ourselves. We have to buy them. Weapons are so terribly expensive that it becomes exceedingly difficult for any country, even the richest country, to keep pace with modern developments. We do not go in for the highly sophisticated things like atomic weapons, nor do we want to go in for them. But even apart from atomic weapons, there are highly sophisticated things which are little beyond our ken; far too expensive, and it would absorb all our resources. However, we have built up a Defence Science Organisation which is doing well. But, of course, we cannot compare it to the highly militarised and scientifically developed nations. They spend billions of pounds on this thing every year. So, we have made progress in our Defence industries and the progress is a continuous one. Nevertheless, it is not enough to face a big crisis like this, and that is why what we have to do today is not only to increase tremendously our production of Defence requirements but inevitably to obtain them from other friendly countries which are prepared to give them to us, or to help us in this way on such terms as we can afford. What I mean is long terms of payments, etc. And, we shall do it of course, because, if the first need is defence it has to be met, however heavy the burden may be.

It is a fact, and I can very well understand the people feeling rather annoyed and asking: Why has this happened? Why we are not fully prepared? That is a justifiable question, although it does not take all considerations into account. Such preparation would have meant not only a full preparation for war, but war against an apparatus of a government which is in this respect one of the strongest in the world. China has not got all the sophisticated weapons, which the Soviet Union or the U.S.A. has. But, it has an army which is bigger than any army in the world, and it has a system of Government which has concentrated for the last 12 years of its existence on preparing for war and strengthening its country. We have a different system of government. We do not like the idea of always living in a war



atmosphere and preparing for it, and it is very difficult to keep up this war apparatus here except at the cost of everything else. It is one thing that when one is faced with a crisis, then the people realise it and everybody works for it. Apart from that, it is difficult, and I would say almost undesirable, to work only for war preparation. For that means giving up the idea of economic progress in most other directions. Well, it is easy to be wise after the event. But, I do not really know how we could have done otherwise. In minor matters—yes. But, in major matters, when you think of the major matters involved you have to think not only of crores, or hundreds of crores, but of thousands of crores, and that is the position we have to meet. But, it is true that we have not in thinking been conditioned to war. We did not have any personal experience of war except perhaps a little bit in the North East Frontier, and it is not like countries of Europe and partly Asian countries too, where there is hardly a family which has not lost some beloved ones in the course of war, and sometimes lost all, which has trained them and conditioned them. We talk of peace in India, and we not merely talk about it but feel it. Yet, there is something superficial about our talking, because we do not know what war is. We are more peaceful perhaps than most others. But, we have never known the horrors of war and especially the horrors of a coming war—a nuclear war. We usually sign protests against war and for peace and against nuclear warfare. And now we are suddenly thrown into this cauldron. I do not mean to say that we are going to have a nuclear war. I think not. Anyhow, the country which has invaded us does not possess nuclear weapons and even if it did have any explosives, it makes little difference. It takes many long years to develop a thing like that even after some experimental tests have been made. But whatever that may be in so-called conventional forms, we have to face the horrors of war. It is confined to our frontiers and many people have suffered from it, many of our valiant people have died.

I find that very exaggerated rumours are spread about the number of casualties. Now, my difficulty is that we do not exactly know—we can put limits to it—but we do not exactly know; reports have not come; reports have come of casualties here and there, 20 persons died, 10, 15, 30, 50; but no consolidated report of one or two major actions, and people talk in terms of thousands. I cannot say anything definite. But, I can tell you that of all the people engaged, even giving the widest latitude to one's thought, the casualties on our side could not be more than 2,000 or 2,500 up till now. Because, many people who were missing are coming back; they have been dispersed; they are gradually trekking back. But even 2,000 is a large number and that is for the first few days. A little more may have fallen. It is said that our

brave people will have to face this onslaught of a ruthless enemy. So, we have to do our best in the circumstances and the first thing we have achieved is the tremendous response all over the country, and the morale of the country. The other things are, which I have hinted at, preparing ourselves rapidly, like processes of Government and other processes, to strengthen ourselves for fighting purposes, to strengthen our economy, to keep prices down so that we prevent profiteering. Profiteering is always bad; it is doubly bad when the crisis of a nation takes a toll of the lives of our brave men.

We must increase our production. I have received numerous messages from industrial undertakings—Defence and others—giving their assurance that they will work their hardest and that there would be no strikes, etc. That is good. But in accepting their assurance we have to be sure of one thing that we do not exploit that assurance or do not allow others to exploit it. That is important. It would be grossly unfair that we allow that exploitation of our workers in the name of national emergency and allow others to profit by that exploitation. I can tell you that in the Defence industries we are working round the clock, no days excepted and no nights excepted, and we have already increased our production—I forget the exact figure, by four or five times. It has increased so rapidly. These are all hopeful signs. But we have to tighten ourselves up, and be prepared for a long-term trial and testing. In a sense, although it is a terrible thing to contemplate, it has its good points also. It brings us together. It strengthens our nation. We are apt to become too soft, all of us, whether we are politicians or business men. We forget the things that make a nation great, and lose ourselves in petty activities and conflicts.

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I have not talked to you very much about this Institute of Public Administration except to suggest, which I do again, that I would like you to think about these problems that are affecting our country and make suggestions, both governmental and private, affecting our economy and our procedures of Government. It can hardly tell us how to conduct a war. I don't ask you to do that. But you ought to be able to tell us how to deal with our economy and procedures of Government especially.

Now to revert to other matters, there is our Five Year Plan which we consider very important. It would be a pity if we had to put an end to that Plan, because putting an end to it means weakening ourselves for the future. Even from the limited point of view of the present crisis, we cannot put an end to it. Of course, it will have to be adapted—maybe some matters which are not of the first importance may be

given up, but by and large in regard to all the important matters in the Five Year Plan we should go ahead. After all, the expenditure involved, the burden of national defence and the like matters, is far greater than the whole Five Year Plan put together. As I said, we may have to adapt it, and change it here and there, but basically we hope to continue it. Take another aspect of it—the Panchayati Raj, which must continue. These are strengthening elements not weakening things, even though we have to spend some money. Here may I take a suggestion or rather approve of a suggestion already made in your Journal. An awful name has been given to the Panchayati Raj institutions, viz., “Democratic Decentralisation”. But I find a much better name in an article by Dr. Appleby in your Journal—“Decentralised Democracy”. It is just the reverse and is much better instead of using Democratic Decentralisation. It sounds better and it lays stress on democracy. That is the basic thing. You decentralise it. Not decentralisation at the end and Democracy a kind of offshoot of it. So I hope you will encourage the use of that expression. I think Prof. Menon himself is responsible for it somewhere. Because I do hope that in our other troubles, such as the burdens that we carry, we will not forget the basic thing, that is, our Five Year Plan, and more especially things that go to make our nation strong. And what would be dangerous in such crisis is for democracy itself becoming a victim. We should take care of it because we attach value to that not only normally but even in crisis. But democracy must be made to function in an effective and speedy way and not in the slow-moving methods to which we are normally accustomed.

I am very grateful to you for the speedy and efficient way you have conducted your proceedings. I have taken more time than all of you put together and you will notice that. But I thought I might put to you what I had in my mind to ask for consideration.

Thank you.



## DEMOCRATIC DECENTRALISATION: THE IDEA, THE IMAGE, AND THE REALITY\*

*Iqbal Narain*

THE political scene in resurgent Afro-Asian countries presents a paradox. Two trends, seemingly opposed to each other, appear to be operating simultaneously—one is the trend of replacement of democratic structures by dictatorial regimes, militarist or otherwise; and the other of experiments<sup>1</sup> to provide firm and deep roots to democracy in the Asian soil and broadbase the democratic structure so as to make the common man a real partner in the conduct of his own civic and political affairs. The latter may well be called attempts at grass roots democracy. The situation becomes all the more intriguing when some of the non-democratic regimes appear experimenting with grass roots democracy, in all earnestness. The experiment of basic democracy in Pakistan and attempts at establishing Panchayats with a view to providing a democratic base to the government in Nepal are illustrations in point.

The question may be asked: In what does the essence of grass roots democracy consist? Grass roots democracy stands for a political structure in which democracy is not merely confined to the national and regional levels but is also extended to local levels in a real and large measure. It is thus a medium of people's participation,<sup>2</sup> which is not remote, and intermittent, and is not limited to electing representatives for a rather distant government—say, national or regional once in two, three or five years, but is based on their participation in the day-to-day conduct of public affairs of their own local area, village or town, as the case may be. Grass roots democracy is thus essentially decentralised democracy in which the management of public affairs does not begin and end at the top but operates through a wide network of people's participating units in the local area which form more or less a miniature government in themselves and are thus real centres of power and,

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\*This is an abridged version of the essay which won the first prize in the I.I.P.A. Essay Competition, 1962.

1. It may be worthwhile to point out that while referring to these attempts at *grass roots* democracy the word *experiment* has been deliberately used because one cannot be too sure of their efficacy as yet and one should, therefore, follow up the results with an open mind so that one may hope to improve upon them in the light of actual experience and through the rational process of trial, error and correction.

2. According to Webster's *New Twentieth Century Dictionary of English Language*, Ind. edition, unabridged, 1960, p. 795, *grass roots* means originating among or carried on by the common people, as a grass roots political movement—colloq.

therefore, of democratic thought and action. In brief, grass roots democracy is not just a window-dressing but an effort at sowing the democratic seed deep into the soil of a country.

## THE IDEA

### *Some Basic Distinctions*

The idea of decentralisation is in a way inherent in the democratic ideal in its application to political organisation. Democracy as a form of political organisation is an attempt at right ordering of people's partnership not merely in the sovereign power of the State but also in the day-to-day conduct of government. Though democracy as a form of political organisation has been differently described by political thinkers, yet the idea of maximum participation by the people is the common factor in their analysis. Thus, according to Mill, "the only government which can fully satisfy all the exigencies of the social state is one in which the whole people participate."<sup>3</sup> People's participation forms the heart of democracy. The larger and more continuous and the more active, constructive and closer (qualitatively speaking) is the people's participation in the operation of their own government in a country, the nearer is it to democracy as a political ideal. Democratic decentralisation is one of the media of people's participation. It aims at associating people with the work of government to the maximum possible extent and in a living manner.

It might be asked: when the idea of decentralisation is inherent in the democratic principle, why should the adjective 'democratic' be prefixed to it? The prefix is not superfluous. It emphasises the purpose of decentralisation which is to provide a larger, greater and closer association of the people with the work of their own government.

The adjective democratic also distinguishes democratic decentralisation from administrative decentralisation. Administrative decentralisation originates in a quest for efficiency in terms of initiative, performance and speed of administrative personnel, particularly at the lower operative levels, while democratic decentralisation has its roots in the desire to associate more and more people with the work of government at all levels, national, regional and, more particularly, local. Administrative decentralisation implies the right to the freedom of implementing a project which includes the necessary right to do associated planning from the operative standpoint. Democratic

3. Quoted in *Masters of Political Thought*, edited by Lane W. Laneaster, Vol. III (George H. Harrap & Co. Ltd., London, 1959), p.141.

decentralisation, however, implies people's right to initiate their own projects for local well-being and the power to execute and operate them in an autonomous manner. It is thus wider than administrative decentralisation and the vital point of difference between the two lies in their purposiveness, the former laying stress on people's participation and the latter on efficiency.<sup>4</sup>

Again, the idea of democratic decentralisation is not to be confused with delegation or deconcentration.<sup>5</sup> It is worth noting that even in some of the official publications this confusion appears to prevail.<sup>6</sup> Even if some of the advantages between delegation or deconcentration and democratic decentralisation may be common, the two terms cannot be treated as synonymous. Delegation or decentralisation consists in the grant of authority from a superior to subordinate authority, to be enjoyed by him not in his own right but as a derived concession and that also to be exercised at the pleasure of the superior. Thus, in the case of delegation, as observed by Poul Meyr, "the central administration reserves its authority to issue directions and to reverse decision...the centralised organisation is integrated, i.e., it is built up in the form of a compact system of superior and subordinate units."<sup>7</sup> Democratic decentralisation, on the other hand, is just an extension of the democratic principle—extension of people's right to manage their own affairs in a local area without any undue interference from regional or national authorities. Thus, while democratic decentralisation embodies a right, delegation is at best a concession. Democratic

4. Montague Harris has made a meaningful observation in this regard: "A distinction must be drawn between the terms local self-government and local self-administration. ...Dr. Goetz's thesis that self-government implies merely a form of communal administration—in other words, self-government is something less than self-administration. To the present writer the case is precisely the contrary. Local self-administration exists wherever there is local self-government, but it may also exist where a local authority merely carries out the orders of a higher authority, more or less in its own way. Dr. Goetz, like most Germans, is unable to realise that local self-government implies government by the people themselves, through freely elected representatives. He goes so far as to say that, while it is necessary for local self-government that the power to frame a policy should rest in some organ, it is immaterial what form this policy-framing organ takes. The power may be vested in the individual. This is the German view and has, ever since Steins reforms were abrogated, been the German practice. It is not the view of any one who looks upon self-government as government of the people, for the people and by the people." G. Montague Harris, *Comparative Local Government* (Hutchinson University Library, London, 1948), p.9.

5. The essence of deconcentration which is not different from that of delegation has been expressed by Leonard D. White in these words, "it is a term generally used to denote mere delegation to a subordinate officer of capacity of acting in the name of the superior without a transfer of authority from him". Leonard D. White, *Encyclopaedia of Social Sciences*, Vol. V (Macmillan Co., New York, 1954), p. 43.

6. Seminar on Public Administration in Panchayati Raj, at Savoy Hotel, Mussoorie, April 9 to 13, 1962—*Agenda Papers* (Ministry of Community Development and Co-operation, Central Institute of Community Development, Government of India, Mussoorie), p. 1. (Here the two terms are treated as synonymous.)

7. Poul Meyr, *Administrative Organisation* (Stevens & Sons Ltd., London, 1957), p. 57.

decentralisation is a matter of principle, and stands for enjoyment of original power by the people, while administrative delegation or deconcentration is the outcome of administrative expediency<sup>8</sup> and is the exercise of derived power by a subordinate authority.

The term democratic decentralisation should also be distinguished from democratic centralism which is the basic organisational principle of governmental and party structure in Soviet Russia and China. The concept of democratic centralism, which at its face appears paradoxical, governs the inner organisational relationship between the people and the leaders in the party or the government, as the case may be, as also between the different tiers of the pyramidal structure of the party and the government. Thus, it has two aspects, first the intra-party or intra-governmental aspect, depending whether the principle is being applied to the party or the government, and secondly, the intra-hierarchical aspect.

In its first aspect, the concept seeks to combine democracy (mass participation and approval) with centralism (centralised leadership). The principle of democracy, at least in strict theory, is supposed to prevail in so far as broad policy decisions and the election of the leader in the party or the government is concerned. Thus the party line or the government line is determined with the express approval of the people who decide by 'majority vote' what their party or government is to do. The principle of democracy further obtains in so far as people are free to choose their leaders who are to be entrusted with the enforcement of the party or government line, as the case may be. The leaders thus elected are also to be responsible to the electors for the proper use of their authority and have to report to them and may be subjected to criticism by them, when the electors meet again to choose their leaders and decide upon broad policy issues. This much about the democratic content of the term democratic centralism.

Now to turn to centralism. Once the people have determined the programme in broad outlines and chosen their leaders, their freedom ends. The elected leaders at the top decide about execution of the policy and issue orders for the same. Now there can be no opposition, no factions, no criticism, no ifs and buts, no sabotage by the people. For, in strict theory at least, they can neither go back on the programme that has been decided with their approval nor can they disown the representatives they themselves have chosen. Thus, democratic

8. That delegation in its essence is a measure of expediency rather than right is well brought out by Mary Follet's observation in *The Illusion of Final Authority*: "Delegated authority assumes that your chief executive has the right to all the authority; but that it is useful to delegate some of it."—Quoted by Albert Lepawsky in *Administration—Art and Science of Organisation and Management* (Alfred A. Knopp, New York, 1952), p. 326.

centralism in its intra-party or intra-governmental aspect means people's participation in decisions about the formulation of broad principles of work programmes and elections of leaders in party or government, as the case may be, and authoritarianism or complete subordination of the rank and file to the leaders in power, as far as the execution of the programme is concerned.

As far as the intra-hierarchical aspect is concerned, democratic centralism implies that there would obtain the relationship of a subordinate and the superior between the various tiers that constitute the party or the governmental structure, the lower tier being subordinate to the higher, though still enjoying freedom within its own sphere. Here the principle serves as an instrument for bringing about a balance between the needs of national unity and local autonomy, the former being secured through the principle of centralism and the latter through the principle of democracy.

The essence of democratic centralism in its two foregoing aspects has been well brought out by the Sixth Congress of the Bolshevik Party held in 1917 in these words:

- (i) that all directing parties from top to bottom shall be elected;
- (ii) that party bodies shall give periodical accounts of their activity to the party organisation;
- (iii) that there shall be strict party discipline and the subordination of the minority to the majority; and
- (iv) that all decisions of higher bodies shall be absolutely binding on lower bodies and on all party members.<sup>9</sup>

The points of difference between democratic decentralisation and democratic centralism can now be enumerated. First, democratic decentralisation is centrifugal while democratic centralism is centripetal. Under the former, there is the transfer of power from top to lower levels, while under the latter there is transfer of authority (to the extent of complete surrender and concentration) to the top levels from the popular levels which form the base of the pyramidal structure. Secondly, the democratic principle finds a wider application in the concept of democratic decentralisation than in the idea of democratic centralism. Thirdly, under democratic decentralisation the underlying idea is to widen the area of democracy which may exist at the top by granting both authority and autonomy to people at lower levels. Here the attempt is to create democracies within the broad circle of democracy. The idea inherent in democratic centralism, however, is to

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9. Harper and Thomson, *The Government of Soviet Union*, (D. Van. Nostrand Co., Inc., London, 1952), p. 17.



provide a democratic base to the guided autocratic top. To sum up, under democratic decentralisation the emphasis is on the people's participation and autonomy, while in democratic centralism the stress is both on people's participation and authoritarianism, more on the latter than on the former. If the end of the former is limitation, if not abnegation, of top level authority (as far as possible), that of the latter is its preservation and continuous assertion.

### *Characteristics of Democratic Decentralisation*

It has been seen so far what democratic decentralisation is not. Let us now see what it is. The words, 'democratic' and 'decentralisation' form the key to the understanding of the synthetic compound expression democratic decentralisation. The word 'democratic' explains at once the nature and purpose of the concept as also its basic postulates in its institutional aspect. The word 'decentralisation' is essentially indicative of the method to realise the end as contained in the word 'democratic'. By itself, thus, the word decentralisation hardly has a democratic content and, as Montague Harris has pointed out, "decentralisation also means what deconcentration signifies, in spite of the fact that according to French usage, the former stands for local self-government and the latter for local State governments."<sup>10</sup> It is thus only the prefix democratic that enriches the content of decentralisation. The latter when read with the former stands for transfer<sup>11</sup> of authority and grant of autonomy from top levels to the people at the lower levels in a three-dimensional manner:

- (i) taking of decisions about the programme and policy in a wide and duly specified area of activity—a function which is essentially political;
- (ii) controlling and managing of material resources needed to cope with the responsibilities thus devolved—a function essentially financial; and
- (iii) supervising, guiding and conducting the actual operation, a function essentially administrative—all these without undue

10. Montague Harris, *op. cit.*

11. Poul Meyr (*op. cit.*, p. 57) has used the word 'cession' instead of transfer which implies total and complete absence of control from top, while decentralisation in constitutional practice implies not so much absence of control but absence of undue control or interference on the one hand and the restriction of control to the minimum on the other. It is for this reason that the word 'transfer' is preferable, more so because it also covers the idea of downward flow of authority and autonomy from top to bottom levels, as indicated by the etymology of the word 'decentralisation'.

cf. Leonard D. White: "the process of decentralisation denotes the transference of authority, legislative, judicial or administrative from a higher level of government to lower." *Encyclopaedia of Social Sciences*, Vol. V (The MacMillan Co., New York, 1954), p. 43.

interference from the top levels.

To sum up, democratic decentralisation as a political concept aims at widening the area of people's participation, authority and autonomy through dispersion or devolution of powers to people's representative organisations from the top levels to the lowest levels in all the triple dimensions of 'political decision-making, financial control and administrative management' with least interference and control from higher levels.

### *Ingredients of the Concept*

The foregoing analysis will bring home the following ingredients of the concept of democratic decentralisation.

First, as the word democratic indicates, the object as postulated here implies a larger and closer association of the people with their own government.

Secondly, with a view to pursuing this end, as the word decentralisation implies, there will be devolution or dispersion of authority from the higher levels of the government to the lower levels. Thus, the process of democratic decentralisation is vertical<sup>1 2</sup> rather than horizontal.

Thirdly, this dispersion of authority assumes the form of autonomy to the people at lower levels to take political decisions with regard to policy formulation and work programme, to devise ways and means to execute it, to manage and control the finances required for it and ultimately to guide and control its administration.

Fourthly, the authority thus decentralised should be managed by the people directly or indirectly through their representatives and thus the institutional machinery of democratic decentralisation should necessarily be elective; otherwise, it may be a case of decentralisation but not of democratic decentralisation.

Fifthly, it will further be in keeping with the spirit of democratic decentralisation that the conciliar principle should inform its institutional form as much as possible. The decentralised authority should vest in a committee and not become the monopoly of an individual, which would be the negation of the ideal of democratic decentralisation. Not merely this. The monopoly of power, whether in the council or the committee, by a dominant group has also to be equally guarded against. Otherwise, social harmony will receive a shock,

12. cf. Poul Meyr: "Self Government in the administrative sense of the term is a manifestation of democratic decentralisation viewed vertically. It occurs either in the form of administrative competence moved from the centre to local agency or in the form of agencies whose activities are limited to certain areas of the State." (*op. cit.*, p. 241.)

forces of disintegration will gain strength and the democratic ideal will be compromised, because the minority will be ignored, if not suppressed altogether.

Lastly, the concept of democratic decentralisation as a political doctrine certainly limits, if it does not deny altogether, interference and control from above. In principle, it may be argued that it implies absence of control from above. This, however, is an extreme and purely theoretical view. From the practical standpoint there is no alternative to the view of Montague Harris that as far as the relation of local bodies to central government is concerned "complete independence is never accepted but as extensive a freedom as is compatible with a due subjection to central government."<sup>13</sup> It is equally true, however, that undue, unwarranted and excessive control and interference from higher levels would strike at the very roots of the concept of democratic decentralisation.

### *Democratic Decentralisation and Local Self-Government*

Having analysed the idea of democratic decentralisation and also having studied its ingredients, it may now be asked: How does this concept stand in relation to the idea of local self-government? Is it a case of old wine in a new bottle bearing a different label or a case of fresh wine in a new bottle with an entirely new label? It may sound paradoxical if one answers that it is neither, or that it is both. What is meant thereby is that the two terms are not identical, though at the same time they are also not vitally different from each other. Both aim at greater participation by the people and more autonomy to them in the management of their affairs. Both of them incidentally limit the control from above.

What are the points of differences? It can be said that democratic decentralisation is a political ideal and local self-government is its institutional form. There is also a difference of emphasis between the two, the former laying greater stress than the latter, in positive terms, on more or less complete autonomy at the bottom and, in negative terms, on no or limited exercise of control from above. On the other hand, democratic decentralisation is in fact a plea to further democratise local self-government to enable it to enjoy more authority, shoulder greater responsibility, take more initiative, and experience greater autonomy in the management of the affairs of the local area than what the local self-government institutions have been doing so far.

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13. Montague Harris, *op. cit.*, p. 10.

## THE IMAGE

It is worthwhile to turn now to the Balvantray Mehta Report and find out how far the image of democratic decentralisation presented by it can be said to square with the idea set forth above. It may be observed at the outset that the Balvantray Mehta Report is at once an essay on the science and art of democratic decentralisation, dealing both with its theory and practice, with its basic postulates and institutional premises.

### *A Corrective Measure*

The Report has suggested the scheme of democratic decentralisation as a remedial measure to the failure of the community development movement to evoke people's initiative and mobilise their voluntary and spontaneous participation. As a preface to the scheme of democratic decentralisation, the authors of the Report have observed: "Admittedly, one of the least successful aspects of the Community Development and National Extension Service work is its attempt to evoke popular initiative."<sup>14</sup> Visualising the remedy, the authors continue:

"So long as we do not discover or create a representative and democratic institution which will supply the 'local interest, supervision and care necessary to ensure that expenditure of money upon local objects conforms with the needs and wishes of the locality'\* invest it with adequate power and assign to it appropriate finances, we will never be able to evoke local interest and excite local initiative in the field of development."<sup>15</sup>

The Report, however, was not breaking an altogether new ground. It was the culmination of a thought process which was already afoot. As the Report itself pointed out, "The proposals of the Planning Commission for the Second Five Year Plan, as accepted by the Parliament, stress the need for creating within the district a well organised democratic structure of administration in which the village Panchayats will be organically linked with popular organisation at a higher level."<sup>16</sup> Still the importance of the Report lies in its emphasis on the need of democratic decentralisation and in linking it with the community development movement as a corrective measure.

14. Report of the Team for the Study of Community Development Projects and National Extension Service, V. I. (Committee on Plan Projects, New Delhi, November 1957), p. 5 (henceforth referred to as 'the Report').

\*Words borrowed from the Report of the Bengal Administrative Enquiry Committee (1944-1945).

15. *ibid.*

16. *ibid.*

### *The Concept*

The concept of democratic decentralisation as developed in the report has an essentially rural context. The reason for this is obvious. The objective before the Balvantray Mehta Committee was primarily to study community development project and national extension service programme which was being tried in the rural areas. They, therefore, thought of democratic decentralisation not as an independent ideal but as an operative principle of the programme of Community Development and National Extension Service.

The authors of the Report have taken pains to emphasise that decentralisation should not be confused with delegation which "does not divest the government of the ultimate responsibility for the actions of the authority to whom power is delegated; this authority is under the control of the Government and is in every way subordinate to it."<sup>17</sup> "Decentralisation, on the other hand, is a process whereby the government divests itself completely of certain duties and responsibilities and devolves them on to some other authority."<sup>18</sup> The authors of the Report have not been merely content with distinguishing decentralisation from delegation; they have also developed the concept in positive terms in the words:

"... a single representative and vigorous democratic institution to take charge of all aspects of development work in the rural areas. Such a body, if created, has to be statutory, elective, comprehensive in its duties and functions, equipped with necessary executive machinery and in possession of adequate resources. It must not be cramped by too much control by the government or government agencies. ... It must ... receive guidance which will help it to avoid making mistakes. In the ultimate it must be an instrument of expression of the local people's will in regard to local development."<sup>19</sup>

### *The Rationale*

The Report had also built up a cogent rationale for democratic decentralisation. According to the authors of the Report, the initiative on the part of and participation by the community is basic to community development. This presupposes that the community should understand its problems and realise its responsibilities. Further, with a view to instilling a sense of responsibility, the community should be

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17. *ibid.*, p. 7.

18. *ibid.*

19. *ibid.*, p. 6.

invested with powers to be exercised through its chosen representatives and maintain "a constant and intelligent vigilance on local administration."<sup>20</sup>

### *Fears and Doubts*

The authors of the Report were not oblivious of the pitfalls ahead. They refer to the fear that there may come about a "fall in efficiency".<sup>21</sup> They, however, felt that inefficiency is due to institutional defects and can, therefore, be remedied. Another fear they have expressed is that democratic decentralisation may lead to corruption. The authors of the Report have offered a detailed and critical analysis of the 'more complex' phenomenon of corruption:

"Its causes are numerous: there is the ignorance of people which drives them through the fear of the machinery to pay its minions; there is the dilution of responsibility through various stages of delegation of powers unassociated with local opinion and there is the constant possibility of the emergence of privileged groups; power tends to concentrate in a few hands and remain there."<sup>22</sup>

These, according to them, "can be eliminated only by constant and intelligent vigilance on the part of the citizens. This ... is possible only if the electorate knows at least by name the persons in whose hand they have placed power."<sup>23</sup>

They also recognised the possibility that factions and feuds might get accentuated in the wake of elections.<sup>24</sup> They were of the opinion that unanimity, if spontaneous and real, could be a possible safeguard against this tendency.<sup>25</sup> The authors of the Report also referred to the fear "that a block area may not be able to find competent persons in adequate numbers to function as chairman and members of this block authority."<sup>26</sup> They, however, summarily dismissed this fear in rather strong words:

"We do not share these fears; the country has found competent persons to take charge of its affairs at other levels; the

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20. *ibid.*, p. 23.

21. *ibid.*, p. 8. "The lack of efficiency of many of our present rural self-governing bodies has been due to too large a jurisdiction, too few powers and too scanty finances accompanied by an absence of close relationship with the village Panchayats and wise guidance by Government or political parties. Nor have any efforts been made either by the Government or public or political organisations to impart any training in administrative matters to persons elected to such bodies."

22. *ibid.*

23. *ibid.*

24. *ibid.*

25. *ibid.*

26. *ibid.*

needs and circumstances of the block level body will discover adequate personnel within its area."<sup>27</sup>

It is obvious, thus, that the Balvantray Mehta Study Team opted for democratic decentralisation in full knowledge of the possible pitfalls which they thought would be got over gradually as a result of the democratic process itself.

#### THE INSTITUTIONAL FRAMEWORK:

##### A BLUE PRINT FOR PANCHAYATI RAJ

The Report did not merely embody the quintessence of the idea of democratic decentralisation, but also offered a blue print for Panchayati Raj which was to serve as the institutional framework of democratic decentralisation in rural India subsequently. They suggested a three-tier scheme with Panchayats as the base, Panchayat Samitis as the intermediate tier, and Zila Parishads at the apex.

#### (i) *The Panchayat*

The Panchayat should be a directly elected institution with provision for the co-optation of two women members and one member each from the scheduled castes and scheduled tribes. The Panchayats would have twofold functions—one pertaining to civic amenities and the other relating to development.<sup>28</sup> Under the first head their compulsory functions would be "(i) provision of water supply for domestic use, (ii) sanitation, (iii) maintenance of public streets, drains, tanks, etc., (iv) lighting of the village streets, (v) land management, (vi) maintenance of records relating to cattle, (vii) relief of distress, (viii) maintenance of Panchayat roads, culverts, bridges, drains, etc., (ix) supervision of primary schools, (x) welfare of backward classes, and (xi) collection and maintenance of statistics".<sup>29</sup> About the second, the Report says: "In addition, it will act as the agent of Panchayat Samiti in executing any schemes of development or other activities."<sup>30</sup>

The Report also dealt with the problem of the resources of the village Panchayats which "are necessarily inelastic and every effort should be made to assist them to add to them."<sup>31</sup> Besides serving as agency for the collection of land revenue<sup>32</sup> on commission basis and

27. *ibid.*

28. It is worthwhile to point out that the authors of the Report did not make a distinction between civic amenities and development functions. According to them 'development work' includes: "agriculture, animal husbandry, co-operation, minor irrigation works, village industries, primary education, local communications, sanitation, health and medical relief, local amenities and similar subjects" (*ibid.*, p. 7).

29. *ibid.*, p. 18.

30. *ibid.*

31. *ibid.*, p. 16.

32. *ibid.*

being entitled to receive from the Panchayat Samiti 'a statutorily prescribed share of the net land revenue,'<sup>33</sup> (up to 3/4th of total realisation), their main resources should include: (a) property or house tax, (b) tax on markets, bazaars, *haats*, etc., (c) tax on carriages, carts, bicycles, rickshaws, boats and pack animals, (d) octroi or terminal tax, (e) conservancy tax, (f) water rate, (g) lighting rate, (h) income from cattle ponds, (i) fees to be charged for registration of animals sold within the local area, for the use of *sarai*, slaughter house, etc., and (j) grants from the Panchayat Samiti.<sup>34</sup> As a safeguard against the evasion of taxes, the Report suggested, "a person who has not paid his taxes in the penultimate year should be debarred from exercising his franchise in the next Panchayat election and a Panchayat member should automatically cease to be such, if his tax is in arrears for more than six months."<sup>35</sup>

#### (ii) The Panchayat Samiti

The Report suggested that the Panchayat Samiti which would form the most important unit in the three-tier scheme should have a jurisdiction co-extensive with a development block.<sup>36</sup> Its members should be indirectly elected by the village Panchayats<sup>37</sup> together with two women members and one member each from Scheduled Castes and Scheduled Tribes (in case their population exceeds 5% of the total population) as co-opted members. Besides, "number of seats equal to 10% of the number of elected seats be filled by representatives of directors of co-operatives functioning within the block"<sup>38</sup> either by co-option or by election. The Panchayat Samiti would be the primary unit to deal with 'development' activities, as the Panchayats would be too small to form a viable unit for the purpose.<sup>39</sup> It should also act as an agent of the State Government to execute special schemes of development entrusted to it.

The authors of the Report strongly urged "that except where the

33. *ibid.*

34. *ibid.*

35. *ibid.*, p. 17.

36. The Report considered other alternatives as well, such as tehsil or taluka, the sub-division or the district; yet the block was preferred because (1) it "offers an area large enough for functions which the village Panchayat cannot perform and yet small enough to attract the interest and service of the residents." (*ibid.*, p. 9) and (2) "Some of the blocks are already functioning as the developmental units and have been equipped for this purpose with adequate personnel in different fields" (*ibid.*, p. 9).

37. According to the Report, indirect elections did not necessarily mean that Sarpanchas should automatically become the members of the Panchayat Samitis. "The Panchayats within the block area can be grouped together in convenient units which can be Gram Sewaks' circles and the Panchas of all the Panchayats in each of these units shall elect from amongst themselves a person or persons to be a member or members of the Panchayat Samiti."

38. *ibid.*, p. 10.

39. *ibid.*, p. 8.



Panchayat Samiti is not in a position to function in any particular matter, the State Government should not undertake any... developmental functions in the block area".<sup>40</sup> To enable the Panchayat Samiti to act effectively as an instrument for development activities, its life should be five years, coming into being some time in the third year of the Five Year Plan period. "The Samiti, once elected, will be able to see to the execution of the second half of the Five Year Plan drawn up by its predecessor, draw up its own plan for the next period and shoulder the responsibility of seeing it through the first half of the period".<sup>41</sup> Besides, it would have a supervisory role to play in relation to Panchayats, entrusting to them development activities and approving their budgets, thereby safeguarding against the overlapping in the distribution of resources between the Panchayats and Panchayat Samitis, the resources of the latter being: (1) percentage of land revenue collected within the block, (2) cess on land revenue, etc., (3) tax on professions, etc., (4) surcharge of duty on transfer of immovable property, (5) rent and profit accruing from property, (6) net proceeds of tolls and leases, (7) pilgrim tax, tax on entertainment, primary education cess, proceeds from fairs and markets, (8) share of motor vehicle tax, (9) voluntary public contribution, and (10) grants made by the government. The income from their own resources of the Panchayat Samitis could be further augmented by adequate grants-in-aid from the State Government "conditionally or unconditionally or on a matching basis with due regard to economically backward area."<sup>42</sup> The authors of the Report particularly emphasised "all Central and State funds spent in a block area should invariably be assigned to the Panchayat Samiti to be spent by it directly or indirectly excepting when the Samiti recommends direct assistance to an institution."<sup>43</sup> The Panchayat Samiti should have an elected chairman, though "during the first two years after its creation... may have the sub-divisional officer, Prant Officer or Revenue Divisional Officer as the Chairman."<sup>44</sup>

### *The Zila Parishad*

The third tier of the scheme is the Zila Parishad which was suggested with a view to ensuring necessary co-ordination between the Panchayat Samitis in the district. They suggested that it should consist of the Presidents of the Samitis, M.L.As. and M.Ps. representing the area and the district level officers. The Collector should act as its Chairman and one of his officers should be its Secretary.

40. *ibid.*, p. 11.

41. *ibid.*

42. *ibid.*, p. 13.

43. *ibid.*

44. *ibid.*, p. 15.

Some of the more important functions of the Parishad will be: (i) examination and approval of the budgets of the Panchayat Samitis, (ii) distribution of funds between the various blocks where allotment has been made for the district as a whole, (iii) co-ordination and consolidation of block plans, (iv) channelising the demands of the Panchayat Samitis for funds for special purposes to the Government, and (v) general supervision of the activities of Panchayat Samitis.<sup>45</sup>

### *Control and Guidance*

The authors of the Report also realised that the control of the State cannot be done away with altogether.<sup>46</sup> The emphasis of the Report was, however, more on guidance than on interference. To quote the Report: "The Panchayat Samiti will need guidance in technical as well as administrative matters; but this guidance should, under no circumstances, result in excessive regulation or control; nor should such guidance or advice be considered as interference. With this object we suggest that the technical officers of the Panchayat Samiti should be under the technical control of the corresponding district level officers but under the administrative and operational control of the chief administrative officer."<sup>47</sup> The Report thus pleaded for limited State control and a diarchical system of supervision and control.

The foregoing *resume* would show that the image of democratic decentralisation as offered by the Balvantray Mehta Report squares well with the idea given above. The Report also developed an institutional framework in the form of the three-tier scheme with a view to capturing 'the image' in a living form. This became the blue print for Panchayati Raj in almost all the States, except Gujarat and Maharashtra where they were guided by the image drawn by their own Reports on democratic decentralisation.

### THE REALITY

The question now is: 'Does the reality bear out the image?' It is not possible at this stage to say decisively that the Panchayati Raj bears out the image in which it was conceived because it is still in its infancy.

We can, therefore, only study the trends and tendencies in the working of Panchayati Raj with a view to finding out whether these

45. *ibid.*, pp. 19-20.

46. "A certain amount of control will inevitably have to be retained by the Government, e.g., the power of superseding a Panchayat Samiti in public interest." (*ibid.*, p. 15).

47. *ibid.*, p. 14.

can be treated as 'problem areas' for the future. This is what is aimed at in the following paragraphs.<sup>48</sup>

### *The Politics for Power vs. Community Development*

The supreme test of the success or failure of the Panchayati Raj movement is whether it is predominantly treated as a power mechanism or as a medium of community development. It may be pointed out here that by its very nature it can neither be exclusively a power mechanism, nor exclusively a medium for community development. It has to be both; but in what proportion? The question is: Does the balance tilt on either side so much as to bring about weightage on one side and imbalance on another?

The answer to the question is not simple. If observations in the field over a period of a year in Rajasthan are a reliable index, it can be said that so far there has been, by and large, a balanced partnership between Panchayati Raj as a power mechanism and Panchayati Raj as an instrument of community development. The result is that community development has not suffered a setback but received momentum in terms of the realisation of physical targets and people's participation.<sup>49</sup> Even when all the allowance is made for statistics as the proverbial 'third lie', it is a fact that people's participation has increased in comparison to pre-decentralisation days.<sup>50</sup>

Credit for this balanced partnership should go to a great extent to the new rural leadership and keen watchfulness, supervision and guidance on the part of State officials—perhaps more to the latter than to the former.

It should not be ignored that politics for power is on the increase and it should not be surprising if the delicate balance between

48. The trends and tendencies in the working of Panchayati Raj indicated here have been largely observed in Rajasthan where the author has been associated for over a year or so with a Research Project relating to the study of the working of Panchayati Raj.

49. Study Team's Report on Panchayati Raj in Rajasthan, October 1960, Congress Party in Parliament, New Delhi, p. 9. The Report has made a significant comment on this which deserves to be quoted:

"We saw the buildings of a primary school, a middle school, co-operative seed store, the actual construction of a drinking water well at an estimated cost of 30 to 40 thousand rupees and several neat-looking houses constructed in the village.

"If despite acute party factions this has been achieved, it is a creditable performance and one cannot but give his meed of praise for it."

In *The Working of Panchayati Raj in Rajasthan* (April 1961 to March 1962), Report, Evaluation Organisation, Government of Rajasthan, Jaipur, June 1962, p. 78 (henceforth referred to as Rajasthan Evaluation Organisation Report) it is stated:

"The progress made by the development blocks, both shadow and non-shadow, in the year 1961 was considerably better than their performance in the year 1960."

This is also corroborated by (i) *Report of a Study Team on Democratic Decentralisation in Rajasthan*, AVARD, New Delhi (see pp. 8-9), and (ii) Congress Party in Parliament: *Study Team's Report*, op. cit. (see pp. 7-8).

50. The increase in people's participation with regard to regular Development Blocks in Rajasthan is estimated at 78.3% and in Shadow Blocks at 1240.9% (*ibid.*, p. 80).

Panchayati Raj as power mechanism and medium of community development and service is lost before long. The following trends deserve a mention in this regard.

The establishment of Panchayati Raj has divided every Panchayat Samiti and almost every village into a dominant and an opposition group, the former ruling to the disadvantage of the latter.<sup>51</sup> Numerous complaints of discrimination in the distribution of benefits, e.g., taccavis, location of primary schools or health centres, etc., illustrate this point. Even the committees that distribute these benefits have the majority of the dominant group. Personal, family and caste factions have thus come to the surface and got accentuated with politics, particularly election politics.<sup>52</sup> New ones are also being created. A change in the nature of factions is worth noting here. Prior to Panchayati Raj, these were personal, family or caste factions. These have now become power factions. Some Panchayats and villages belonging to the opposition group are already a prey to neglect and despair just for reasons of party politics.

New centres of power and prestige have been created, e.g., the offices of Sarpanch and Pradhan in Rajasthan. The halo that already surrounds these offices is bound to accentuate the lust for power to capture it and to hold it as long as possible by hook or by crook.

As a legacy of the third general elections, parties have permanently entered the rural arena. It has been realised in the wake of elections that village leaders—Sarpanchas and Pradhans—would increasingly control the votes of the rural masses. They have in fact controlled the votes to no mean extent even in the last general elections. Political parties, therefore, are busy strengthening their hold on Panchayati Raj institutions, keeping an eye on the Panchayat elections and later on the general elections.

There has come about a build-up for power from the local levels

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51. Compare the following observations:

(i) "We also noticed acute party faction in a Village Panchayat, members of which had assembled in large numbers to meet us. From their talk it appeared that what one party claimed to achieve was hotly contested by the other who brought all sorts of charges against them openly." Congress Party in Parliament, Study Team's Report, *op. cit.*, p. 9.

(ii) "On the debit side the carrying of power politics to the level of the local administration and increasing factions and groupings in the villages." AVARD Report, *op. cit.*, p. 9.

52. In most cases it is true as Retzlaff has observed: "Elections in rural India offer an opportunity for competing groups within the villages to manifest their opposition. They reflect village factions and admittedly may even heighten tensions between them, but it is erroneous to say that elections cause factions. Factionalism existed in rural India long before statutory electoral procedures were introduced." Ralph H. Retzlaff: *Village Government in India* (Asia Publishing House, 1962), p. 121.

But, as indicated in the body of the article, what Retzlaff forgets is the change in the nature of factions which were earlier personal, family or caste faction but have now become power factions.

to the State level. Sarpanchas, and more particularly the Pradhans, have direct links with State-level leaders, particularly party bosses, the M.L.As. and Ministers. The Pradhan, who is a potential M.L.A., and M.L.As. and Ministers who have to depend on his support to win elections have entered into a sort of partnership deal—a sort of political alliance to stand by each other. The result is that with the help of their political support, the Pradhans can get action shelved—and even hushed up altogether, whatever the magnitude of their misdeeds may be. This naturally demoralises administrators who in utter disgust may be driven to relax the reins of supervision and control. It may be added here that the system of political alliances envisaged above presupposes either the preponderance of one political party at all levels or its desire to build up a cult to power from below. Pradhans and Sarpanchas, knowing on which side their bread is buttered, are tempted to join hands.

#### THE STRUCTURAL ASPECT

The more important aspects about the structural pattern of Panchayati Raj can be discussed under the following heads:

##### *Imbalance in Hierarchy*

It has often been complained in Rajasthan that there is an imbalance in the hierarchical set-up of the three-tier scheme at both ends. The Panchayat Samitis have emerged as the strongest of the three tiers, while the Panchayats are too weak to serve as the executive arm of the Panchayat Samiti in its development activities and the Zila Parishad too weak to act as a co-ordinating and supervisory agency. To some extent this may be called a legacy of the Balvantray Mehta Report which, as shown earlier, has laid the greatest emphasis on the organisation, functions and role of Panchayat Samitis. The pivotal role assigned to Panchayat Samitis in various legislations has also been responsible for the imbalance. The Panchayat Samitis have also received the premium at the hands of district level officers.

##### *The New Leadership—Development-oriented or Power-motivated*

It can be said on the basis of study in Rajasthan that there is not much to feel pessimistic about the new leadership as far as the Sarpanchas and the Pradhans go. They belong to a comparatively young age group and come from well-to-do families and are normally more than literate.<sup>53</sup> They command influence with the rural folk. By

53. Interesting statistical information is available about "Pattern of Emerging Leadership" in 'A Report on the Panchayat Elections in Rajasthan, 1960'. Evaluation Organisation (Cabinet Secretariat), Government of Rajasthan, Jaipur, August 1961, pp. 26-32.

and large, they understand their obligations towards the development of their village communities, talk about it in an animated manner, are keen (only perhaps a little less than their talks) on taking up development activities and take pride in their achievement in the field for development. The District Development Officers, the district level officers, and above all, the B.D.Os. have done a lot for imparting development orientation to the outlook of the new leaders in Rajasthan. The training programmes for the non-officials, as provided for in Rajasthan, have also a contribution to make in this regard. Their involvement in development activities has been, however, the most potent factor in giving a development orientation to their outlook. Thus, though the motivation of power has not been absent—and it cannot be absent—it has been subordinated to the ideal of community development. The situation, however, now appears in a melting pot as under political compulsion, particularly since the third general elections, as already shown, the motive of power seems to gain the upper hand.

As far as the Panchas go, the situation is not very heartening. Most often they lack the qualities of leadership that characterises the Sarpanchas and the Pradhans. They are neither development-oriented nor power-motivated. They are just docile. It will be wrong to say that they are handicapped by nature. The wrong lies elsewhere. They have not been involved in development activities which appear to begin and end with the Sarpanchas, who monopolise both power and initiative in Panchayati Raj. The Panchas<sup>54</sup> have thus become at best passive partners, toeing the line of the Sarpanchas, and at the worst, silent onlookers. Their initiative has thus not been aroused; it has rather been allowed to remain stunted.

*Sarpanchas and Pradhans—primus inter pares  
or New Monopolists of Power*

Democratic decentralisation has been a plea for broadbasing the power structure. In reality, however, as already stated above, power has not percolated beyond the Pradhans and Sarpanchas. Neither the Pradhan can be called a *primus inter pares* among the Sarpanchas, nor the Sarpanch is the first among the Panchas. They are the new overlords who, of course, have a popular backing.

54. The Rajasthan Evaluation Organisation Report corroborates the author's experience in the field about the lack of interest, initiative and effort on the part of Panchas :

"Hitherto it has generally been noticed that the Panchas do not take as much interest as would be desirable in the affairs of the Village Panchayats or in the development of the villages that they represent." The Rajasthan Evaluation Organisation Report, *op. cit.*, p. 91.

There is thus an obvious tendency that power is getting concentrated into a few hands in Panchayati Raj—from Panchayat or Panchayat Samiti to their respective Committees and from the Committees to the Sarpanch or the Pradhan, as the case may be. This concentration of authority is all the more injurious because it is conducive to building up a cult of power rather than a medium of community service and community development. This encourages Pradhans and Sarpanchas to find out ever new ways to strengthen their position and to channelise the use of existing devices to aggrandise their own power.

### *The Experience with Co-optation*

The experience with the principle of co-optation, as the Chief Secretary of Rajasthan once put it, "has not been happy". It has been used by the dominant group to strengthen its own position by co-opting its own supporters—at times even the family members of Pradhans and Sarpanchas. From the participation point of view it may be said that persons co-opted on the basis of their expertise—experience in administration, agriculture, etc.—have sometimes actively participated in the meetings of Panchayat Samitis. When their expertise has been fake and they have in fact been 'yes-men' of the dominant groups (as they most often are) the situation has been different. Lady co-opted members seldom attend and never participate. In the case of one Panchayat Samiti, the author could see the lady co-opted member only in one meeting, when a vote of no-confidence against the Pradhan was to be discussed and hence she had to be present to add to the voting strength of the Pradhan. Similar has been the situation with regard to co-opted members coming from Scheduled Castes and Tribes, except that sometimes—very rarely of course—they do speak. It may be observed, however, that the scanty participation by lady co-opted members and representatives of Scheduled Castes and Tribes is understandable. They would naturally take time in getting over their inhibitions, born of seclusion in the case of ladies and compulsions of imposed social backwardness in the case of Scheduled Castes and Tribes.

### *The Functional Aspect*

The study of democratic decentralisation in its functional aspect has several facets. An attempt has been made here to touch upon a few aspects only, which have a particular bearing on the impact of Panchayati Raj on people's initiative, tempo of planned development, administration, social cohesion and so on. Reference has also been made to the more important difficulties that have been experienced so far.

*Delegation, Decentralisation or Guided Democracy*

Some basic issues are often raised with regard to democratic decentralisation: Has decentralisation really taken place? What has been decentralised or to give the question a theoretical twist "what can be decentralised in the context of developing countries like India which have chosen the path of planned development that is essentially a centralised process?" Some empirical answers to these questions are attempted here.

In terms of law, decentralisation is real. A study of various statutes dealing with Panchayati Raj in Rajasthan and elsewhere would show that Panchayati Raj institutions have been given wide powers, States reserving the right of intervention only in extreme situations. Panchayati Raj institutions are thus legal persons enjoying statutory status and powers. It is thus a case of decentralisation and not delegation. The Panchayat Samitis are asked to work upon an area or block plan which they are expected to prepare in collaboration with Panchayats which should first draw up plans for the Panchayat areas. The block plans are then consolidated at the district level and later the district plans at the State level. In the process, local needs of the people are spotlighted and the minds of the local people reflected. There is much of pruning in the area plans before they become parts of State Plan. Still all is not lost. The Plan becomes broadbased. The planners at the State level have a better perspective with regard to local needs and resources as a whole. People develop a sense of participation and partnership.

It should be recognised, however, that the planning at the Panchayat level at least has been more a ritual than a devout performance. The officials have to extend their guiding hand, whether it be the Panchayat or the Panchayat Samiti level and the non-officials most often approve what the officials say. This is understandable also. When the Ministers at the national and State levels rely on the civil servants, the non-officials at the Panchayat Samiti and Panchayat levels (who are far more amateurish) commit no offence in leaning on them.

Similarly, in the process of implementation also, the rural self-government institutions have the freedom to spell out the details of the targets communicated to them from time to time for approval and implementation. Where should a primary school, or a primary health centre be located? How many wells should be dug and where? How should better seeds and better implements be popularised? How should 'school chalo andolan', 'small savings' or 'rural insurance drive' be made successful, and so on. Such questions are discussed and decided upon by the Panchayat Samitis, of course with the active help and guidance of the officials. They also allocate the budgetary



resources for the various items that they choose for implementation. Again, the Panchas and Sarpanchas are active tools in the actual process of implementation. The officials serve as path-finders here also.

### *People's Participation—How Far Real?*

As stated elsewhere, it is a fact that people's participation has increased in comparison to pre-decentralisation days. Yet it is a long way off from the ideal. The villagers still cherish the psychological make-belief, as an extension officer once put it, that the Government should do everything for them. What is worse is figures of people's participation are boosted in the race for targets which has become a necessary evil today.

It is often said in responsible quarters that people's participation would appreciably increase if Gram Sabhas are activated with the grant of more powers. It is a premature step of doubtful efficacy, when participation in the Zila Parishad, Panchayat Samiti and Panchayat meetings is confined to a handful of persons. The activation of Gram Sabhas will be the culmination of a gradual process beginning with the activation of the Panchas, through them of their wards and ultimately of the Gram Sabhas. No hurried and mechanical device of the grant of more powers would do the trick.

### *Civic Amenities vs. Development Work*

It has been complained that in the wake of Panchayati Raj a greater emphasis has been laid on civic amenities than on development work. It may be pointed out, however, that civic amenities are a part of development activities—a fact which has been brought in bold relief by the Balvantray Mehta Report in its scope of the term 'development activities'. In fact the line of demarcation between the two cannot be sharply maintained in a welfare state. Again, when people's elective local bodies will handle development activities, they have, as people's representatives, to care for the provision of civic amenities also. It cannot be denied, however, that civic amenities are not to be provided at the cost of development activities, because ultimately the latter would serve as the life-line for the former. As most of the Panchayat Samiti funds are departmental grants earmarked for specific schemes of development, the danger of a serious imbalance between civic amenities and development work does not exist.

### *The Seeding-time for Democracy—Political Consciousness without Civic Consciousness*

It may be pertinent to ask: Has Panchayati Raj nourished the seedlings of democracy in the country? It is again too early to pose

this question. It may be observed, however, that political consciousness has certainly increased in the wake of Panchayati Raj. People have become conscious of their rights. They are also having a taste of power which they would not like to part with easily. Few Panchayat Samitis are even becoming a leveller of caste-identities which are gradually getting submerged in political affiliations. This is not so in Panchayats, where caste is still a factor to be reckoned with. All this augurs well for democracy. What, however, does not do so is the fact that there has not been a corresponding rise in civic consciousness—consciousness of one's obligations towards the community. Should civic consciousness follow as a logical corollary of political consciousness? This the future alone would tell.

### *People, Politics and Administration*

It is also interesting to enquire: What has been the impact of democratic decentralisation on administration? The process of democratisation of administration has started; the gulf between the rural folk and administration is being bridged. Now an average villager walks into the office of a B.D.O. with confidence, not to beg a concession but to claim what belongs to him as of right. The B.D.O. also receives him well, listens to him with patience, and provides whatever redress he can. Thus, the fear about the birth of a rural bureaucracy has not come true.

All, however, is not well. Politics is increasingly at work. Political pulls and pressures at times create difficulties for administration. There have been occasions when even conscientious and effective B.D.Os., district level officers and the District Development Officers (not to speak of the docile and indifferent ones) have to relax their control and supervision to the disadvantage of Panchayati Raj. One of the Extension Officers told the author that Extension Officers were under triarchical control—technical control of their respective departments, administrative control of the B.D.O., and the political control of the non-officials. He added: "we should care for the political bosses and devil will take care of technical and administrative control". This is no doubt an extreme case. But it would be an eye-opener all the same. As a result of this, corruption is on the increase. Thus, the vicious circle—beginning with political pressure, leading to laxity in efficiency, supervision and control and ending in corruption and political nepotism and high-handedness—may be completed any day and anywhere. It may be conceded that at present this is just a nascent tendency. But, if it is allowed to grow (and as the post-election politics in Rajasthan indicates, it may become so) this will be a sad day for Panchayati Raj.

### *Administrative and Financial Bottlenecks*

It would not be out of place in the end to make a few observations on more important administrative and financial weaknesses in the system.

First, lack of identification with the movement on the part of officials would be suicidal for Panchayati Raj. It has been observed in Rajasthan that the interest of one Development Officer at the district level infuses life and vigour in all the Panchayat Samitis operating in a district. It is equally true that the qualitative tone of a Panchayat Samiti is set by the B.D.O. and the Extension Officers working with him. It may be said on the basis of observations in Rajasthan that the majority of the officers have yet to identify themselves with the movement.

Secondly, it has been a matter of common experience that there is a plethora of complex rules and regulations which the non-officials and, in some cases, even officials find it hard to understand, not to speak of their correct interpretation and application. Such rules need be revised in the light of the difficulties experienced in their practical application.

Thirdly, the line of communication between the three tiers is very weak, if the experience in Rajasthan is taken as an index.

Fourthly, service points in administration at times look like independent islands and they behave in an arbitrary manner, as if there is no meeting ground between them. For example, it has often been complained in the meetings of Panchayat Samitis in Rajasthan that Patwaris do not co-operate in *mehr-bandi* drive, and other ventures because they are under a separate department (the Revenue Department) and under a separate boss (the Tehsildar). A more typical example is of co-operatives which are supposed to be a supply link for the Panchayat Samitis and Panchayats. If the two go hand in hand, the combination can work miracles. It was pointed out by a B.D.O. to the author that in one of the Panchayats where both the Panchayat and the co-operative were controlled by the same group, the co-operative could build a road which the P.W.D. failed to get constructed on even their higher rates. But a serious situation of rivalry, opposition and deadlock develops—as is the case in quite a few Panchayats in Rajasthan—when one group dominates the Panchayat and the other the co-operative.

Lastly, as far as finances go, the resources of the Panchayats, at least in Rajasthan, are so meagre that they cannot even afford a bare existence. Secondly, as the various audit reports show, there

have been serious irregularities in expenditure. As the chief of an audit party pointed out to the author, "Most often the irregularities are examples of ignorance rather than deliberate mistakes." There is thus the need of a trained person to handle the accounts. Thirdly, people's contribution by way of a matching grant has been mostly on paper. This leads to false accounts and incomplete works. Fourthly, Panchayats in most cases—and to some extent Panchayat Samitis also—have been reluctant to tax the people. Lastly, the experiment of Panchayati Raj has been a costly adventure. It may be pointed out, however, that cost hardly matters if in the wake of Panchayati Raj the Indian people learn to walk on their feet with a sense of keen partnership in the onward march of the nation.

#### THE SUMMING UP: THE NEED OF POLITICAL SELF-CONTROL AND ADMINISTRATIVE INNOVATIONS

There is no need to be unduly pessimistic or panic-stricken at some of the existing weaknesses of the system. The democratic process is in itself a steadying process—it works as its own school—as the corrective of many ills that appear overwhelming in the initial stages, when party politics appears to override democratic values. This should, however, not make the people in India complacent. The need of the hour is that Indian nation—political leaders, administrators and the common men and women, all put together—should have the courage to face facts, own the weak points of the Panchayati Raj and make concerted and earnest efforts to remove the defects.

It may be asked here 'How far will the slogan of partyless democracy at the local levels be helpful?' In spite of all the resolves to the contrary, political parties cannot dissociate themselves from participating in local politics. The third general elections have shown that their life-line would run from Panchayats and Panchayat Samitis to State legislatures. An effort can, however, be made to bring about a gentleman's agreement between the various political parties that they would develop a convention to co-operate in the development of their village, irrespective of the fact whether they belong to one political party or another and whether they have lost or won in elections.

As part of this agreement, the ruling party at the State level may also pledge itself not to shield the misdeeds of Pradhans, Sarpanchas and Panchas in the larger interests of planned development and democracy in the country. This is a heavy demand; let us hope that political parties in the country would gain enough moral stature to meet it, in spite of the nascent character of Indian democracy.

It may also be useful to establish a 'Panchayati Raj O & M Cell' at the State level to deal exclusively with the administrative and financial bottlenecks. It should so devise administrative innovations as to safeguard Panchayati Raj not merely against the administrative and financial pitfalls but also against the baneful impact of political pressures, to whatever extent it may be possible.

As far as the process of identification of officials with the Panchayati Raj movement is concerned, it is essentially a slow process; it can neither be superimposed nor injected. Still, if due importance is given in the training programmes and promotion prospects to identification on the part of officials with Panchayati Raj, the 'process of identification' can be smoothed in some cases and expedited in others.

Further, a high-level commission may be appointed to review the statutory pattern of Panchayati Raj in every State to formulate changes with a view to checking the monopolistic and discriminatory tendencies.

Neither the administrative innovations by the O & M Cell nor any statutory revisions can be called an unfailing remedy. There is after all a limit to which law can improve human institutions and remedy human failings.



"Democracies talk of Equality, but Efficiency is after all the first requisite in all governments, be they governments of a nation or of a faction; so in the midst of equality oligarchies and autocracies rise by a law of nature."

—JAMES BRYCE

(In 'Modern Democracies', Vol. II)

## WORK STUDY IN A DEVELOPING ECONOMY

*N. K. Panda*

ORGANISATIONS grow and paper work multiplies infinitely. It is no longer possible for the owner to supervise personally all aspects of his business. Operational techniques change. Objectives of organisation undergo change in content and emphasis with time. Organisational structure, standards of performance and methods of work need continuous review in the light of these changes. Organisation and methods studies are the tools at the disposal of the managerial leader for conducting a systematic review of work operations. Organisation and methods studies are therefore the constituent elements of the science of organisational efficiency. It is a specialised staff function as opposed to the line function of being a part of the productive process which helps directly in the attainment of the objectives. The profession of management consultancy or organisation and methods studies consists of assistance to the line functionaries in the better discharge of their duties.

The need for organisation and methods studies is threefold. In the first place, the managerial leader has to cope with the challenge of change. One of the basic urges of man is to improve. O & M studies are the vehicles through which such improvements are explored and are made possible. Since the industrial revolution, techniques of production and management are undergoing constant change. In this dynamic context, organisation and methods studies enable the managerial leader to bring his methods up-to-date and be in the vanguard of progress. Finally, the vastness and the complexity of modern organisations necessitate a professional staff function of management consultancy. The one-man organisation is a thing of the past. No longer can organisations be run by the owner or by the principles of loyalties to the owner but by lines of managers motivated by the objectives of the organisations.

Work Study is of particular importance in a developing economy. The circular flow of economic life of which Schumpeter spoke is not easily broken. It needs new men, new techniques and above all, a new attitude of self-development. In the words of our Prime Minister "Old methods and procedures, however good they might have been in the past, are no longer suited, nor can they bring results".

One approach to O & M studies would be to divide the various types of studies undertaken for organisational efficiency into routine

studies and special studies carried on periodically. In the language of roadbuilding, this may be compared to the construction and the periodic overhaul of roads on the one hand and to the day-to-day maintenance aspect on the other. The distinction is important in appreciating the types of study to be undertaken for specific purposes and the organisational set-up required for them.

Work Study is the mainstay of systematic and periodic probing of organisations. It is best described as a study of work with a view to improving its performance. This would involve a study of work in all its aspects—in particular a study of the organisation, a study of the methods of work and equipment, etc. and a study of the performance standards.

The genesis of an organisation is that a number of individuals or departments co-operate towards the accomplishment of a certain task. The objectives of an organisation are fulfilled by the performance of a number of tasks. Organisational Analysis is to be conducted by listing the operations in sequence, the individuals who are to collaborate and by correlating the two analyse the relations involved. In the chart below an organisation is analysed on the basis of operations, individuals and the staff and line functions involved based on Prof. Cahen's model.

		Titles or names of individuals							
Operations		V	S	T	U	V	W	X	Y
No.	1	O			M				
	2		O	S	M				
	3	O			M	A			
	4		O		M	A	C	q	MM
	5	O			M	A	A	A	
	6	O			M	M	M	M	
	7				O				M
	8				O	q			M

#### Legend

Line Functions—

O—Operation

S—Supervisor

M—Manager

MM—Higher level of Management

Staff Functions—

A—Adviser

C—Controller

q—Inspector

This is the simplest form of organisation analysis. It does not give us precise information as to how the different functions are being executed nor indicates the type of collaboration between individuals. The performance of an operation can for further study be subdivided into four elements of initiative, instruction, reporting and check on quality. To the analysis of these elements has to be added the concept of performance levels of each. An analysis of instruction, i.e., on how to perform an operation leads to studies in work simplification.

Work Simplification has been defined as "the systematic analysis of all factors that affect work (or that will affect work) in order to save effort, time, or money". The objectives of work simplification are therefore, (1) increased productivity, (2) saving in time and money, and (3) better clientele satisfaction or community relations. As Frank Gilbreth aptly put it: "The waste in unnecessary fatigue is not only an economic waste, it is a waste of life, and it calls for the immediate attention of every one of us, whether interested in the individual, the group or the economic prosperity of our Country".

Work Simplification, broadly speaking, has three aspects: (i) Work Elimination, (ii) Work Improvement, and (iii) Methods Simplification. The elimination of avoidable work is directly related to the conserving of human effort. Offices abound with instances of work elimination as has been seen in course of work studies. Work Improvement consists of the rearrangement of work and the conditions surrounding its performance so as to render it less irksome and time-consuming. The factors of Work Improvement are Materials, Design, Sequence and Equipment. Methods Simplification involves an intensive study of a procedure with a view to simplify it. The objectives are to reduce time by locating delay-points and to ensure effective satisfaction of clientele. In the case study that follows an attempt has been made to illustrate these aspects of work simplification.

The analysis of work processes involved in Work Simplification follows certain well-recognised stages. The first step is, of course, preliminary reconnaissance for the location of problem areas. This involves study of papers and publications, sizing up of the work of the organisation and locating the weak links in the chain with a view to conducting an intensive study of them. A detailed Study then begins with the collection of relevant facts. The Work Study techniques of Job Description Sheet and Job Distribution Chart are employed for both recording and analysing of Work Processes.

The analysis of assembled facts is made and results exhibited by the techniques of Flow Chart and Process Chart. Alternative solutions suggest themselves and the Work Study Analyst has to select carefully the best possible method after weighing all relevant factors.



At this stage, the details of the best available methods have to be worked out. This can be charted in either of the four techniques mentioned above. The last but the most important stage in Work Simplification is the review of the proposed changes. The line officials are associated with the process by discussion. The human factor of convincing those who will work out the changes is extremely important. Often the proposed changes have to be tested on a pilot basis to be acceptable.

## II

The issue of Essentiality Certificates is a case in point. Industrialists require Essentiality Certificates for import of raw materials or machinery. In one State, applicants had to deal previously with two Organisations, viz., the Directorate of Industries for Raw Materials and the Small Industries Services Institute for Machinery. Case Studies indicated that the two types of applications are correlated. Besides, in the interest of the public, the parties should be required to deal with one agency for the disposal of the two types of the applications. This suggestion in Work Elimination has been accepted and implemented. The Directorate of Industries which is in daily contact with the industrialists has been entrusted with this work.

A detailed study of the procedure regarding issue of the Essentiality Certificates was indicated inasmuch as this had become for the parties concerned 'a mixed and a vexed problem'. The Essentiality Certificates were not issued within the period and the supply of raw materials or machinery could be affected only in subsequent periods resulting in great inconvenience to the industrialists.

A Job Description Sheet (vide Annexure 'A') combined with Case Studies indicated that the procedure could be improved upon in four ways. In the first place, instead of the application being diarised thrice, it was suggested that diarisation may be done in one place. A counter may be opened for the purpose and the applicants may be given a receipt for the application indicating a date on which the certificate will be ready for them to call and collect. The second delay-point was an unnecessary level of Zonal Officers. The Assistant Director/Deputy Director can dispose of these applications without their being processed through the Zonal Officer who had no effective contribution to make. Thirdly, it was felt that the periodicity of inspections should be rationalised keeping in view the objectives in this regard. Thus, instead of each unit being inspected prior to the grant of an Essentiality Certificate, the industries could be divided into three categories as to the periodicity of the inspection required.

- (1) *Established Industries*—Industries which have been in operation for three years or more will not be inspected every year but once in two years. Applications for Essentiality Certificates in such cases can be disposed of without an 'on the spot' inspection.
- (2) *Industries in Operation*—Industries which have been in existence for less than three years may be inspected once a year. This may be done by a regional programme of inspection which need not be correlated to the process of Issue of Essentiality Certificates. In such cases of 'Established Industries' and 'Industries in Operation' if the demand increase is not more than 20 per cent of the last quota, Essentiality Certificates may be given without any inspection of the Unit.
- (3) *New Industries*—Industries which have just been started may be given a quota after inspection of the premises, taking into account all the considerations.

The effect of the above procedure (vide Existing and Proposed Flow Charts given as Annexures 'B' and 'C' respectively) will be to eliminate the need for inspections in cases where they do not effectively contribute to the process of Issue of Essentiality Certificates. This will, therefore, expedite the disposal of such cases and will ensure effective satisfaction of the clientele. This has been agreed to by the Director of Industries and is being processed in the Office of the Controller of Imports and Exports.

Lastly, the time taken in referring to the records of the units could be lessened if information is kept in the form of Index Cards. A proforma has been prescribed for the purpose. This is being implemented by the Directorate of Industries. The cumulative advantages of the above changes would be to streamline the procedure and avoid both delay and inconvenience to the concerned members of the public.

### III

Work Measurement has been defined as "the application of techniques designed to establish the time for a qualified worker to carry out a specified job at a defined level of performance". The degree of success in the application of work measurement techniques depends, of course, on the nature of the operations. Work of a repetitive character lends itself to more accurate measurement than work of a mental or creative nature although experience in analytical time estimation is rapidly bridging the gap in this regard between repetitive and non-repetitive work.

The benefits of work measurement are primarily three-fold. In the first place, work measurement assists planning and programming based on costs and estimates of future labour requirements. Secondly, it enables realistic performance standards to be laid down for types of work expressed in work units. The laying down of performance standards (a) assists in the assessment of individual employees, (b) enables a system of merit-rating to be introduced as also realistic and fair incentive schemes, and (c) enables realistic schedules of the work to be programmed. Finally, work measurement enables the proper staffing of an organisation thereby leading to high morale in the organisation. It assists in the organisation of labour by enabling comparison to be made between actual times and target times. It gives the labour a sense of participation in the enforcement of performance standards.

The basic concepts in work measurement are the performance standards and the unit of work. Performance standard has been defined as the optimum rate of output that can be achieved by a qualified worker as an average for a day, due allowance being made for the human consideration of rest and relaxation. The unit of work is based on the work content of different types of jobs being expressed quantitatively in terms of a common unit. Annexure 'D', which is a self-explanatory statement, would elaborate on the means of laying down Performance Standards.

There are four recognised techniques in work measurement. There is firstly the time study based on simple timing by actual observation. The accuracy of the results obtained will be in direct proportion of the number of observations. The four ingredients of such a study are: (a) the accurate specification of the beginning and end of the job; (b) a correct system of recording; (c) a clear idea of standard rating; and (d) a means of assessing the rest and relaxation allowance.

The second method of work measurement is to synthesise the standard time of the elements of a job and measure work in terms of annual work averages or work counts. The constituent elements of such a study are: (a) the break-up of job into its various constituents; (b) the timing of the constituent elements of the job at various levels of performance; and (c) the computation of the annual work count for the work in question.

The third method of work measurement is analytical time estimation which is largely used for non-repetitive work. Here also the job is broken down into its various elements except that these are of longer duration. It differs from other work measurement techniques in that it places greater reliance on judgment or analytical time

estimation. The key to the application of this technique of analytical time estimation lies in the character and ability of the work study man. His intimate knowledge of the work and experience of the technique lends accuracy to his estimates and helps into acceptance by co-workers.

A variation of the work measurement technique is activity sampling. Like analytical time estimation, this can be used profitably in assessing work of a supervisory nature or of creative or mental activity. The time spent on work can be considered as being made up of a number of individual moments during which a particular state of activity or inactivity prevails. By sampling some moments of work from a representative period of a job, the work study observer can with a fraction of the cost in time and effort of a full study assess the proportion of time being utilised for each type of activity and lack of activity.

Such studies in activity sampling aim at providing a record of what is actually taking place during the period under observation. It is not a record of what should actually happen according to the line manager, nor of what has happened in the past or what will happen in the future. In fact the difference between the ideas of the management and the results of activity sampling can be startling. For instance, the activity sampling of a few top engineers indicated that a large percentage of the time of such important functionaries was being used on administrative work as compared to such vital things as planning, etc. Activity sampling also throws up points of weakness and indicates possibilities of work simplification. Particularly in Government organisations by pin-pointing delay and the divergence between the objectives and the actual time spent in their pursuit it enables the taxpayer to get better value for his money. For example, another activity sampling revealed that a considerable proportion of the time of some state dignitaries was being spent on receiving complaints from the public. An analysis of the complaints indicated that these could be attended to at a level slightly higher than the level at which they arise. By addressing these complaints to lower levels, the time of these high officials could be saved and utilised to better public advantage. This is illustrated in the Activity Time Chart at Annexure 'E'.

#### IV

Work Study is essential to secure improvement in offices. However, the techniques of work study cannot be said to provide a set of ready-made conclusions immediately applicable to office improvement. An intimate knowledge of the work, its objectives, and the community relations involved are essential to the success of an administrative

research programme. Thus analysts to be engaged in work study should be chosen with care. The qualities that would go to make a successful Work Study Analyst are: Quick and ready intelligence, ability to learn, humility, wide knowledge of office procedure and techniques. By far the most important trait is of course the ability to deal with.

Good personnel relations are essential to work study. This is important not only in 'selling' proposals, but also in formulating them. The Work Simplification proposals will ring hollow if the workers have not been associated with the various processes. The success of a revised procedure and time-norms depends primarily on the enthusiastic participation of the workers.

An important force with which the Work Study Analyst has to reckon with is the structure of informal relationships. In very few organisations things are as they seem or seem as they are. In such cases, it is worthwhile examining in detail the elements of work where practice outruns theory. Such informal relationships often contain seeds of work improvement. It is obvious that at some stage or other mathematical solutions would be attempted for operational problems. Operations Research is "a mathematical basis for study and analysis of engineering and management problems for the purpose of making the soundest decision possible".

Work study, although it does not add to the resources, by enabling the maximum utilisation of available resources, directly contributes towards economic prosperity and welfare. The importance of O & M and work study activities in a developing economy therefore can hardly be overemphasised. This has already been recognised in the Papers on Measures for Strengthening of Administration. Work Study is being introduced as a compulsory subject in the training curricula of all established services. Internal work study groups have been set up in each Ministry/Department to study procedures involving delay in decision-making and implementation. A round of work studies is being carried out by the Special Reorganisation Unit to cover the Ministries, Departments and other offices of the Government of India.

## ANNEXURE 'A'

## JOB DESCRIPTION SHEET

Work Study Form No. 1

Place of performance: Directorate of Industries &amp; Labour

Description of the Job: Issue of Essentiality Certificate

Frequency of occurrence: Half-yearly

Step No.	Constituent items	Performer	S.F.	C.R.	Remarks
1	Receive the application in the prescribed proforma, diarise and send it to the Import Section of the Industries Branch.	LDC in the EST. Section			It seems the first seven steps are concerned with various elements of diarisation and acknowledgement to the Party. It was felt that diarisation may be done in one place and acknowledgement handed over the counter or by registered post. For the convenience of the parties a date may also be fixed on which the E.C. will be ready to avoid their frequently calling on the office.
2	Receive, diarise and give it to the LDC (Import).	LDC in Import Section			
3	Receive and enter it in the register.	LDC(I)			
4	Check the particulars and documents of the application.	LDC(I)			
5	Put up acknowledgement or a letter (SF) to the party asking for further information or wanting documents.	LDC(I)	S.F. 1		
6	Sign the acknowledgement of letter to the party.	Technical Asstt.			
7	Issue the acknowledgement to the party and pin the office copy to the application.	Despatcher in the Import Section.			
8	Pass the application to the Zonal Inspector.	UDC(I)			
9	Open the file.	Zonal Inspector.			
10	Visit the unit and issue a letter in SF there and then asking the party for further information by a fixed date.	Zonal Inspector.	S.F. 2		
11	Attend to the party in the office and collect all the wanted information.	Zonal Inspector.			
12	Prepare the report in the prescribed proforma.	Zonal Inspectors.	S.F.3		
13	Put up draft E.C. or rejection letter on file with remarks to the Zonal Officer.	Zonal Inspector.	S.F. 4 S.F. 5		

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Frequency of occurrence: Half-yearly

Step No.	Constituent items	Performer	S.F.	C.R.	Remarks
1	Receive the application in the prescribed proforma, diarise and send it to the Import Section of the Industries Branch.	LDC in the EST. Section			It seems the first seven steps are concerned with various elements of diarisation and acknowledgement to the Party. It was felt that diarisation may be done in one place and acknowledgement handed over the counter or by registered post. For the convenience of the parties a date may also be fixed on which the E.C. will be ready to avoid their frequently calling on the office.
2	Receive, diarise and give it to the LDC (Import).	LDC in Import Section			
3	Receive and enter it in the register.	LDC(I)			
4	Check the particulars and documents of the application.	LDC(I)			
5	Put up acknowledgement or a letter (SF) to the party asking for further information or wanting documents.	LDC(I)	S.F. 1		
6	Sign the acknowledgement of letter to the party.	Technical Asstt.			Case studies indicated that the results of inspection in cases of Essentiality Certificates is a formality in so far as it relates to the established industries, i.e., those which have been in operation for more than three years. Keeping the objectives in view it was felt that it may be possible to lay down the
7	Issue the acknowledgement to the party and pin the office copy to the application.	Despatcher in the Import Section.			
8	Pass the application to the Zonal Inspector.	UDC(I)			
9	Open the file.	Zonal Inspector.			
10	Visit the unit and issue a letter in SF there and then asking the party for further information by a fixed date.	Zonal Inspector.	S.F. 2		
11	Attend to the party in the office and collect all the wanted information.	Zonal Inspector.			
12	Prepare the report in the prescribed proforma.	Zonal Inspectors.	S.F.3		
13	Put up draft E.C. or rejection letter on file with remarks to the Zonal Officer.	Zonal Inspector.	S.F. 4 S.F. 5		



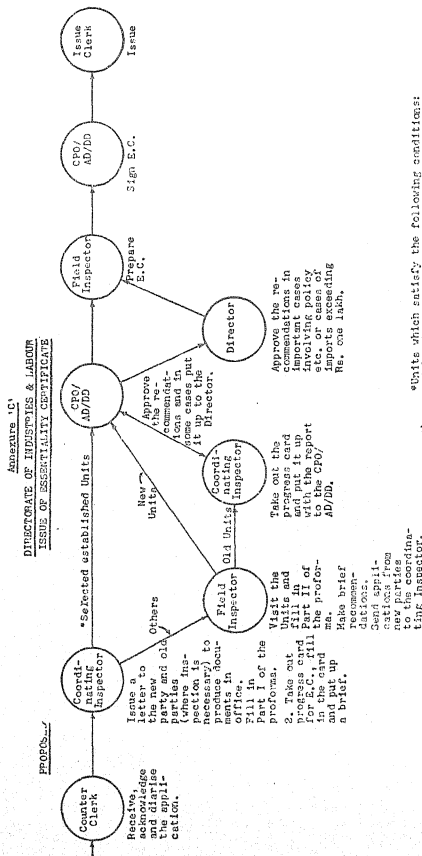
- |    |  |                                   |
|----|--|-----------------------------------|
| 14 | Scrutinise the report and submit the papers to the AD/DD/CPO with their recommendation for approval of the draft E.C. or rejection letter. | Zonal Officer.                    |
| 15 | Peruse and approve the draft E.C. or rejection letter.   | AD/DD/CPO                         |
| 16 | Type the fair E.C. or rejection letter.  | LDC in the Import Section.        |
| 17 | Compare the fair E.C. or rejection letter and put it up to AD/DD/CPO.  | Zonal Inspector.                  |
| 18 | Sign the fair E.C. or rejection letter.  | AD/DD/CPO                         |
| 19 | Issue the E.C. or rejection letter.  | Despatcher in the Import Section. |
| 20 | File the office copy, make entry or disposal in the register and record the file.  | LDC(I)                            |

periodicity of inspections for the three categories of industries according to the number of years for which they have been in operation.

Case studies indicated that the contribution that the Zonal Officer has to make is not essential and that the AD/DD/CPO may directly deal with the Zonal Inspectors.

It was felt that to facilitate constant reference as also to obviate delay involved in the collection of information from parties, Index Cards may be maintained relating to the units.





Units which satisfy the following conditions:

- i) Established at least for 3 years
- ii) Demand increase of not more than 20% over the previous period quota.
- iii) Inspected once during a period of 3 years preceding the licensing period of the application.
- iv) Inspection not required for any specific reasons.

## ANNEXURE 'D'

*Time norms per unit  
Arrived at from samples of  
work taken during work  
study.*

*Performance Standards for various activities of Investigators,  
J.F.O.s, A.D.s, and D.D.s of an extension service institute.*

*Percentage distribution of  
officers' time. Activity analy-  
sis was the basis of discussion  
and the Director's views were  
taken.*

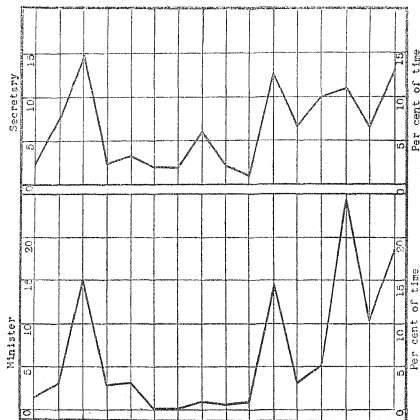
## TECHNICAL SECTIONS

Activity	Investigator				Jr. Field Officer				Assistant Director				Deputy Director			
	% of total time	Annual manhours	Time norms per work unit Hrs. Mts.	Annual count	% of total time	Annual manhours	Time norms per work unit Hrs. Mts.	Annual count	% of total time	Annual manhours	Time norms per work unit Hrs. Mts.	Annual count	% of total time	Annual manhours	Time norms per work unit Hrs. Mts.	Annual count
1. Visits to the Field.	80	1440	1-30	960	70	1260	2-06	600	50	900	3-00	300	45	810	3-22	240
2. Technical Advice in Office.	18	324	0-27	720	20	360	0-36	600	20	360	0-45	480	20	360	1-00	360
3. Other Technical work in office, e.g., examination of schemes, etc.	...	...	...	...	5	90	0-27	200	10	180	0-22	500	15	270	0-54	300
4. Meetings, conferences, discus- sions, etc.	...	...	...	...	1	18	...	...	5	90	...	...	5	90	...	...
5. Demonstrations etc.	2	36	...	...	4	72	...	...	2	36	...	...	2	36	...	...
6. Receipts of technical nature.	...	...	...	...	...	...	...	...	13	234	0-20	720	13	234	0-24	600
TOTAL :	100	1800	...	...	100	1800	...	...	100	1800	...	...	100	1800	...	...

Annexure 5  
DISTRIBUTION OF TIME OF A STATE MINISTER AND SECRETARY

ACTIVITY TIME CHART

1. Establishment matters - (i) Complaints/representations  
(ii) Others
2. Complaints/representations received through M.L.A.'s/Ministers/  
Political workers etc.
3. Work relating to Assembly/Assurances given by Ministers
4. Expenditure/other facilities - sanctions.
5. Appeals/-revision/reviews
6. Policy work (i) Original  
(ii) Derived
7. Schemes or projects (i) Preparation  
(ii) Review
8. Proposals for S.N.E.
9. Miscellaneous
10. Perusal of dak, return journey files etc.
11. Meetings (i) Outsiders (on representation or otherwise)  
(ii) Internal  
(iii) Others - Vidhan Sabha, P.A.O., etc.



## FINANCIAL CONTROL IN MADRAS STATE\*

A. Premchand

DURING recent years considerable attention has been paid to reform the content and form of financial control at the Centre. The need for such attention was accentuated by the periodic emergence of the problems relating to the inter-departmental relations and those relating to the planning and control of developmental expenditures. Although many studies have been made about the Centre's experience, little has been done in respect of systems obtaining in the States, and with a view to reducing this gap this study has been made. The conclusions emerging out of this study may not be applicable to all the States, for there is a considerable variation in the institutional pattern of financial control from one State to another, but they will be of utility in an assessment and examination of those States which have a similar system.<sup>1</sup>

The system of financial control in the Madras State is important from two points of view: (i) it is one of the States which has had a long administrative history traceable to the days of Company Rule, and (ii) the system represents an antithesis of the Central system of delegation of financial powers and financial advice.

The basis for financial control is the Devolution Rules, 1920, as modified from time to time, which, *inter alia*, broadly provide: (i) No Department shall authorise any activity which would involve some expenditure from the State exchequer or reduce its revenues or having any other similar financial implication, except in consultation with the Finance Department. (ii) No reappropriation may be made within the framework of budgetary demands by any Department except within the ambit of the delegated powers in this behalf.

These general rules are further elaborated and amplified in the set of rules relating to the Finance Department in the Rules of Business which state that the Finance Department shall be consulted in all matters which are likely to affect the finances and specifically that

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\* The scope of this article is confined to the operations and techniques adopted by the Finance Department and does not include the control exercised by Audit and the Legislature.

1. cf. For a comparative idea of those systems, see the author's article on *Financial Control and Administrative Reform in the States—A Survey*, Economic Review, 22nd August, 1961.

(a) no post may be added to the existing cadres, and (b) no allowances be granted except in consultation with the Finance Department. It has also been laid down that the views of the Finance Department should be brought to the permanent record of the Department to which the case belongs and should form part of the case.

These rules enable the Finance Department to exercise its control in its various facets to ensure that the proposals initiated by the administrative departments: (i) merit expenditures from public revenues, (ii) are economical, and (iii) that it is expedient and necessary to provide funds for the purpose in the Budget.

The control so exercised by the Finance Department may be studied under the following heads: (i) control in relation to policy decisions and programmes of annual expenditures, (ii) control on continuing expenditures on services previously authorised and in other matters where consultation with the Finance Department is required, and (iii) review of the expenditure incurred by different Departments with a view to ascertaining that the moneys approved by the legislatures are spent for the purposes for which they were given, and also to ensure that no budgetary lapses had taken place during the period of review.

#### I. CONTROL IN POLICY MATTERS AND OVER ANNUAL ESTIMATES

The control of the Finance Department at the policy stage is of considerable importance as it is this agency which is responsible for making the money available as also to ensure that the proposed expenditure is economically desirable.

The control exercised by the Finance Department at this stage is not related to the details of the scheme. It is primarily concerned with the aggregate expenditures under that scheme, the financial repercussions of the scheme on future commitments, and whether the scheme should be given the priority and resources asked for. In performing these functions, the Finance Department takes an overall view of the financial resources and the fitness of a particular scheme into the framework of the available resources. These considerations together with the conclusions of the Finance Department influence, if not determine, the decisions of the Cabinet. In this respect, the control exercised by the Finance Department of the Madras State is more or less the same as in the Centre.

There is, however, one factor, which distinguishes the Finance Department of the Madras State from the Centre. Apart from the

fact<sup>2</sup> that it comments on the proposals of other administrative Departments, this Department takes initiative in formulating policies in planning matters because the Finance Department in Madras includes the Planning Division also. The Planning Department of Madras, which was formerly a part of the Chief Secretary's Secretariat, was merged with the Finance Department in 1959. The merger of the Planning Department with the Finance Department has certain intrinsic merits, important among them being the availability of trained personnel conversant with financial procedures and the avoidance of consultation, co-ordination and liaison between the Planning and Finance Departments. It can also be said that the location of the planning unit within the Finance Department is only proper inasmuch as the latter is responsible for the deployment of all financial resources, while the former is concerned with the channel through which such deployment ought to take place.<sup>3</sup>

Conversely, it has been argued that a Finance Department may not be capable of adapting itself to the role of planning or creative development which involves consideration of matters other than financial. These criticisms, however, do not carry conviction, for the functions of the Finance Department have undergone considerable changes in the recent past and new responsibilities have been acquired in the process of its shift of emphasis from a maintenance economy to a developing economy. The function of modern Finance Department lies not in betraying an attitude of 'woodpecking' and 'cheese-paring' but in enabling the various Departments to spend all the budgeted amounts, and in ensuring that the amounts are spent wisely and economically. It has also to be recognised that though planning is concerned with matters other than financial, yet an awareness of the financial aspects would certainly make it more realistic and practical.

Yet another point against the merger of the Finance Department and the Planning Department is that it may present a superhuman task to the Finance Minister. This is not applicable in the case of Madras. Primarily, the State in the Indian administrative set-up is comparatively a small unit and does not throw up many complex administrative problems. Secondly, economic policy—the term includes monetary policy,

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2. The Finance Departments are not generally entrusted with any executive responsibilities. Such entrustment of responsibilities, it has been felt, would not be conducive to its successful functioning as an impartial tribunal and may lead to conflicts with other Departments. The fact that the Planning Department is also a part of the Finance Department does not, however, deter the latter from being an impartial critic which it is expected to be.

3. For a discussion on these aspects, see *Administrative Organisation for Economic Development*, Report of a Seminar, Royal Institute of Public Administration, London. These arguments may not be applicable in the case of the Indian Planning Commission, whose structure is evolved to meet the requirements of a federal set-up.



debt policy, trade policy, etc.—is largely framed at the Centre and the States are merely maintenance units. There are also many instances where two or three portfolios are combined and put under the charge of a single Minister, and an equal number of instances where even a small Department like the Department of Prohibition is put under the exclusive charge of a Minister. A study of the distribution of portfolios in the State reveals that it is done less on a 'functional' basis than on political and individual considerations.

The merger of the Planning Department with the Finance Department has, in a way, changed the complexion of the Finance Department. This merger has brought about a change in the conventional role of the Finance Department. It is all the more significant in the present context where the State Governments do not have their own planning commission.<sup>4</sup> In the absence of a separate body which is charged with the formulation of a plan and the implementation thereof, it is desirable and efficacious that a division responsible for planning is created and included in the Finance Department.

The second phase of control consists in the examination of the budget proposals of every department, in eliminating the uneconomic and unnecessary items, and in the preparation of a budget embodying the policy of the Government within the available resources of the State. The Finance Department of the State is responsible for approving all the estimates of the different administrative Departments. These annual reviews provide an opportunity not only to examine the estimates of expenditures proposed to be incurred in the coming financial year, but also help the Finance Department in assessing the current annual performance of the Department concerned. The review of the following year's estimates is, in fact, based on the assessment of the current year's performance. These estimates require a careful scrutiny as "efficiency and economy in public expenditure depends upon the preparation of the estimates".<sup>5</sup>

The review of these charges or estimates of expenditures is done at two levels in the Madras State. These two levels are: (i) the Finance Department proper, and (ii) the Standing Finance Committee<sup>6</sup>

4. The Estimates Committee in its 21st Report recommended that a separate planning commission should be established in the States also. It is doubtful whether multiplication of bodies will achieve anything more than what has already been achieved.

5. Hilton Young, *The System of National Finance*, London, 2nd Edition, 1924.

6. The Standing Finance Committee is a sub-committee of the Cabinet, consisting of the Chief Minister, the Finance Minister and a few other Ministers including the Ministers whose Departments' proposals are under consideration by the Committee. This body is different from the Standing Finance Committee which was in existence at the Centre from 1924 to 1951. The latter Committee, composed of the Members of the Legislature, was presided over by the Finance Member and functioned under the aegis of the Central Finance Department.

of the Cabinet. The Finance Department carries out independent scrutiny in respect of the standing and continuing charges, and acts as a 'Secretariat' to the Standing Finance Committee in respect of 'New Charges'.

In reviewing these estimates, certain limitations, which are more in the nature of attitudes, arise. It is generally believed that not much of an elaborate examination is necessary in respect of the standing charges, for they are based on the actuals and are also of a permanent nature. This, however, may not always be true, and the Finance Department is always vigilant to make 'cuts' in respect of 'contingencies', etc. included in Part I of the Budget where the charges are not of a 'fixed' nature but are susceptible to fluctuations. However, in examining the estimates proposed under the heads 'pay of officers' and 'establishments', the strength of staff and officers is generally taken for granted. It is only when there is a variation in the estimates from the current year that the Finance Department questions whether such increase is justified and whether it cannot be deferred for some time more. But no particular care is devoted at this stage to verify whether even the existing strength is justified. This comparative complacency stems out of the fact that the Finance Department agrees to the creation of only such number of posts as are slightly lower than the absolute minimum requirements. This initial conservatism at the time of the creation of posts is generally helpful in making a quick examination of the estimates at the budget preparation stage. There is, however, one danger, viz., that this method is likely to be ineffective, if the demands of the Departments for the creation of posts are themselves slightly overpitched even at the initial stage; but, as the creation of posts is always done with reference to yardsticks of staff, it is unlikely to be the case.<sup>7</sup>

The scrutiny in respect of continuing charges also follows these lines. These charges, which at the time of their inclusion in the Budget for the first time would have been considered by the Standing Finance Committee, are reassessed by the Finance Department every year. This examination by the Finance Department tends to become strict if the original approval of the Standing Finance Committee was itself conditional or if the variations in the proposals of expenditure are of a considerable magnitude.

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7. These factors, however, emphasise the need for a streamlined approach to make a proper assessment of the actual requirements of staff on the basis of 'Work Study'. In the U.K., these studies are helpful in fixing the complements (strengths at various levels for a specific task) and targets (extent of reductions necessary) and these in turn help proper examination of the budget estimates in respect of administrative personnel. The Estimates Committee of the Lok Sabha in its 55th Report on the Department of Expenditure (Ministry of Finance) has recommended (p. 5) that periodical reviews should be conducted on the scope for economy, well in advance of the preparation of estimates, so that these economies may be affected in the estimates.

So far as the new services are concerned, it may be studied under two heads: (i) What constitutes a new service, and (ii) Who determines the essentiality of these new services and their eligibility for inclusion in the Budget. It may be stated at the very outset that even at the Centre there are no definite criteria by which a service can be called a new service, and that a case law, agreed upon between the Comptroller and Auditor-General and the Ministry of Finance, is generally followed to determine the nature of a proposal. However, the Public Accounts Committee of the Madras Legislative Assembly, on the suggestion of the Accountant-General, Madras, gave a definite set of criteria in 1950 to determine what constitutes a new service, and recommended them for adoption.

The criteria accepted and implemented by the Government laid down specific monetary limits in respect of such matters. For example, it laid down that employment of additional staff for reorganisation of an existing administrative unit, when the cost involved exceeds Rs. 30,000, would constitute a new service. Similarly, grants and contributions for existing purposes, when the amount involved exceeds Rs. 1,25,000 recurring or Rs. 50,000 non-recurring, would constitute a new service. These criteria were in force for about six years. The experience of these years revealed that the term 'reorganisation of an administrative unit' was too flexible and could include a good deal of new expenditure, without bringing it specifically to the notice of the Legislature. A new procedure, more elaborate, and intended to avoid these defects, was then devised by the Accountant-General and approved by the Government. This new procedure was introduced in July 1956. Under this, "employment of additional staff when it arises out of the adoption of a new policy by the Government", "employment of additional staff for the expansion of an existing service" and "employment of additional staff for reorganisation of an existing administrative unit such as a bifurcation of a department and where the expenditure on these exceeds Rs. 30,000 per annum recurring and Rs. 1 lakh non-recurring" are treated as 'New Services'.

The desirability of including new services in the Budget is considered from the following standpoints: (i) Whether it is so essential that delay in sanctioning it is likely to cause a breakdown in the machinery of administration; (ii) Whether it is highly remunerative; (iii) Whether it relates to additional staff required very urgently for a project already sanctioned; and (iv) Whether delay in sanctioning it is likely to cause permanent loss of revenue to the Government. Notwithstanding these regulations, it is possible that a new scheme might be sanctioned, even if not justified by these canons, if such a scheme has other merits.

The proposals for new schemes are first sent to the Finance Department for its examination. The Finance Department can only examine, make suggestions, and offer comments on new schemes. The decision in regard to new schemes rests with the Standing Finance Committee. The Committee considers: (i) all proposals for new services and other new schemes which are not technically new services, where the estimated cost of the scheme exceeds Rs. 10,000 per annum recurring or Rs. 50,000 non-recurring, and (ii) schemes involving the abandonment of existing revenue where the amount of revenue to be foregone exceeds Rs. 25,000 per annum recurring or Rs. 1 lakh non-recurring, or when the schemes involve a change of policy. There are certain exceptions to these, such as, works relating to the extension of existing electric projects, grow more food schemes, remissions of revenue, and urgent cases, etc.

The procedure in respect of the schemes treated as new services, where the monetary limits are lower than those prescribed in respect of the Standing Finance Committee, is different. For example, in respect of schemes whose estimated cost does not exceed Rs. 2,000 per annum recurring or Rs. 10,000 non-recurring, it is enough if the approval of the Minister in charge of that Department and the Minister for Finance is obtained. Similarly, when the estimated cost exceeds Rs. 2,000 and Rs. 10,000 but does not exceed Rs. 10,000 and Rs. 50,000 recurring and non-recurring respectively, it would be adequate if the approval of the concerned Minister or the Minister for Finance and the Chief Minister is obtained. These monetary limits indicate the importance attached to each scheme, and they are so devised as to ensure that only important schemes involving financial repercussions are referred to the Standing Finance Committee, thus avoiding the trivial cases from coming up before the Committee.

The procedure of submission of proposals to the Standing Finance Committee and later on to the Cabinet may be stated thus: The administrative Department sponsoring a scheme, requiring the consideration of the Standing Finance Committee, first refers it to the Finance Department. The Finance Department's scrutiny, at this stage, is concerned with the technical aspects of the scheme, and after such scrutiny its comments are transmitted to the concerned sponsoring administrative Department. The sponsoring Department then prepares a 'note' for submission to the Standing Finance Committee. The note contains the view of the administrative Department, as also of the Finance Department. The note also contains information under different heads, such as, (i) estimated cost, (ii) cost in the year of introduction, and (iii) eventual cost, etc. Before the submission of the note to the Standing Finance Committee, it is also seen and vetted

by the Finance Department so that it could satisfy itself that the facts stated are correct and that they have been stated properly. These proposals are then considered by the Committee.

The Committee in its deliberations is assisted by the Finance Department, which works as the Committee's Secretariat. The Deputy Secretary (Finance) acts as *ex officio* secretary to the Standing Finance Committee. After the consideration of the proposals by the Committee, the proposals are returned to the respective Departments, with the comments of the Committee, and it is then for the Department to submit the case to the Cabinet, if the proposals have been commended by the Standing Finance Committee.<sup>8</sup> The proposals that are accepted by the Cabinet and the Standing Finance Committee are then consolidated by the Finance Department and presented to the Legislature as Demands for Grants. It should, however, be noted here that not all the new schemes go through the Standing Finance Committee, but may be considered by circulation among the Ministers. The usual formula is 'in view of the urgency of the proposal, it may go through short circuit procedure (circulation)'. However, the fact that a scheme has not been submitted to the Committee does not by itself give any additional power to the Finance Department. When the Finance Department opposes a proposal for expenditure, its opposition is not seen by the Minister (Finance) and, therefore, does not have the status of a ministerial command. The Minister for Finance is, therefore, not committed in any way when the proposal is placed before him by the administrative Department together with the Finance Department's comments. This has a healthy consequence, in that the Finance Department seldom cheapens itself by raising inconsequential objections.

The procedure of association of the Standing Finance Committee with the scrutiny and acceptance of the budget has interesting features. These features may be stated thus: (i) the control of the Finance Department in respect of new schemes is not considerable, and is restricted to making suggestions to the Standing Finance Committee, and (ii) the working of the Standing Finance Committee also indicates that an active role is played by the Cabinet in the formulation of the Budget.

## II. CONTROL IN THE PROCESS OF THE EXECUTION OF THE BUDGET

After the acceptance of the Budget by the Legislature, necessary expenditure sanctions are issued placing the appropriations at the

8. The same system obtains in Andhra Pradesh also.

disposal of the Departments. The Departments, within the powers delegated to them, can incur expenditure within the budget provision. However, in the rough and tumble of budgetary process it is not possible, despite the best attentions and efforts, to examine a proposal exhaustively in its proper setting. Lord Keynes used to say<sup>9</sup> that in a perfect world no bad proposal would ever come to the Treasury and that in such a world the Treasury's real function would be to make a selection within the limits of the resources that could be made available to the Government out of a number of good proposals put up by the Departments. In such circumstances, the Finance Department has to control expenditure even after the passing of the Budget. In certain cases, small initial provisions, representing the preliminary expenditure, are included in the Budget as the details are not available. Such provisions also make post-budget examination imperative.

In addition to the work that arises from the incomplete examination carried out at the initial stage, there are day-to-day problems, such as variations in expenditure, inadequacy of the initial budget provision and consequently the need for going in for a supplementary grant, conclusion of contracts with non-governmental agencies, waiver of recoveries, write off of losses, conversions of temporary posts into permanent ones, creation of new posts, etc. All these factors require frequent consultation with the Finance Department. But, in some of these matters consultation is dependent upon the delegated financial powers.

The delegation of financial powers has two aspects: (i) delegation of financial powers to the Heads of Directorates and other field officers, and (ii) delegation of powers to the Secretaries (Heads of Departments) of the Departments at the Secretariat. In Madras, there is considerable delegation of financial powers to field officers under various heads, such as creation of posts, contingencies, purchase of stores, etc. These are contained in the 'Financial Codes'<sup>10</sup> of the State; but there is almost complete absence of delegation of financial powers to the Secretariat Departments. Any proposal referred to the 'Government' (the term as used here represents the 'Secretariat') by the field officers, or a proposal originating in the Government proper, cannot be proceeded with (so long as it has financial implications) under the Rules of Business of Government, except with the specific approval of the Finance Department. This embargo makes the administrative Departments depend or look forward to the approval and assistance of the Finance Department in all matters. There are certain trivial cases where these consultations are made because

9. *Treasury Control* by John Woods, 'The Political Quarterly', Vol. XXV, No. 4, Oct.-Dec. 1954.

10. See *Financial Code*, 2 Vols.

of absence of delegated powers. For example, 'reappropriation' from one head to another requires the prior concurrence of the Finance Department and, therefore, consultation with it is rendered necessary. Similarly, a contract may have to be entered into with an outside agency; such a contract also requires examination by the Finance Department. Likewise, the waiver of recoveries, write off of losses, (even when the amounts involved are insignificant) required the concurrence of the Finance Department, as the delegated powers to the Departments at the Secretariat<sup>11</sup> are practically nil. It is a moot point whether a structure of powers of this nature is compatible with an administrative hierarchy charged with the responsibility of the execution of a plan.

Another important aspect in which this control becomes necessary is in regard to the control on establishments. In the Madras Government, the power to create posts in any Department at the Secretariat is vested in the Chief Secretary. The Chief Secretary, by convention, consults the Finance Department, and gives due weight to the opinion of the Department before taking a decision either in favour of its creation or against it. In addition, matters relating to establishment, such as pay and allowances, etc. as in the Centre, require consultation, under the Rules of Business, with the Finance Department. This arrangement is intended to ensure, as in the Centre, a certain degree of uniformity in the 'Services'.

It is in order, at this stage, to analyse the approaches of the Finance Department and examine the institutional framework of control of the Department. The general criticism of the Finance Department till recently used to be that it was niggardly, and kept on raising one objection or the other. But both the functions of the Finance Department and its approach have undergone a change. The Finance Department in Madras now lay (i) a considerable emphasis on 'spending' by administrative Departments, so that the budget appropriation could be completely utilised, and (ii) an equal emphasis is placed on spending it wisely. The emphasis on spending is evident from the readiness of the Department to accept supplementary Grants in respect of 'Plan projects' at any time (Supplementary Grants, in the State, as in the Centre, are presented thrice in a year). Though the Legislature viewed these supplementary grants with some coldness in the initial stages, yet in the later years this tendency has given way to warmth and an appreciation of the efforts of the Government.<sup>12</sup>

11. In the State of Andhra Pradesh there is some delegation of powers to the Secretariat Departments. See *Delegation Rules* issued by the Finance Department, Government of Andhra Pradesh, 1958.

12. Notwithstanding the emphasis on 'spending', there were many cases where substantial amounts were surrendered. As a matter of fact, the rate of savings increased from 1.4 % in 1953-54 to 26.1 % in 1957-58.

The criticism that the Finance Department of the State, in its structure of powers, and the arrangements of personnel, is rather monolithic, is, however, justified. There is no system of associating<sup>13</sup> either the branches or the officers to an administrative Department or a group of such Departments, to deal specifically with the financial issues of that/those Department/s. The system thus reveals an absence of emphasis on control through advice and indicates a reliance on the firm exercise of its own powers.

There is another criticism that the officers who sit in the Finance Department do not have an intimate knowledge of the work of the administrative Departments, and therefore they do not have a proper appreciation of the proposals of a Department. To this charge, the answer given is that the magnitude of the Budget and the range of functions are comparatively limited in the States; it is, as a matter of fact, so limited that it cannot deprive a Finance Officer from devoting enough of time to gather a comprehensive understanding of the activities of the administrative Departments. It is further alleged that the economy achieved in the process of budget examination is very little and is achieved by cuts in fringes, and the enforcement of economy on the basis of cuts in fringes is no real economy at all. However, this is one direction where the efforts are found inadequate in the Indian context, and Madras is no exception.

### III. REVIEW OF EXPENDITURES

The review of expenditure by this Department has two aspects: (i) reviews concerned with the immediate short-term problems, and (ii) reviews concerned with the comparatively long-term issues. Both the terms as used here refer to the financial year and do not go beyond that. The review concerned with the immediate short-term comprises activities (i) watching the progress of expenditure, (ii) reconciliation of accounts and orderly maintenance of accounts, and (iii) ensuring the regular clearance of outstanding audit objections.

A regular watch on the progress of expenditure is kept, so that it could be of help in forecasting the need for supplementary grants, if such grants are warranted by undue variation in expenditure and in avoiding lapses of funds and rush of expenditure towards the end of

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13. The practice of dealing with the financial proposals of the Department of Transport, however, is different. All proposals of this Department are considered by a Committee, consisting of a Chairman who is the Minister for Transport himself, and the Secretaries to the Departments of Transport and Finance as Members of the Committee. This separate treatment has been given to the Department of Transport on the consideration that it is a 'commercial' Department.



the year. The course of the events that lead to these budgetary pitfalls is much too familiar and does not call for elaboration.

The data in respect of actual expenditure of every department are maintained by the 'Ways and Means' Section of the Finance Department. Most of the administrative Departments at the Secretariat have no Accounts Sections for the purpose of maintaining the data relating to the expenditure incurred, liabilities entered into, etc. A few Departments like the Board of Revenue, the Departments of Health and Industries have their internal cells devoted to the compilation of accounts. The other Departments are dependent on the Finance Department and the Accountant-General even to ascertain the percentage of expenditure they have incurred thus far, and the amounts remaining to be expended during the remaining part of the year.

The medium through which these immediately short-term objectives are fulfilled at the Centre is through the quarterly expenditure control meetings between the officers of the Finance Ministry and other Ministries. In Madras no such meetings are convened. It is the responsibility of the administrative Departments to ensure a reconciliation of accounts, and a regular clearance of the audit objections. As, however, most of the Departments have no Accounts Sections of their own, the work in respect of these aspects is more often found to be in arrears, and time and again the Public Accounts Committee recommended that adequate attention should be paid to these matters. The same objections have been echoed by the Finance Department also, and it has not infrequently to engage itself in prodding the administrative Departments to maintain clean slates in respect of accounting matters.

The long-term objective of review is to ensure that the amounts provided for in the budget have been spent well within time and that the amounts were spent economically. Towards this purpose, the Finance Department seeks to ascertain the monetary progress and the physical progress achieved through it, under different heads. The review in the State Government obtains only in regard to developmental (Plan) expenditures, and no review is made for the administrative and non-developmental expenditures.

The review in respect of developmental expenditures is comparatively of recent origin and is carried out by the State Development Committee. This review by the Committee is based on the monthly reports received from the field officers. Though these progress reports have no specific form, they generally include the progress of the schemes under the charge of the reporting officer, and where certain

schemes are held up, the reasons for such delays are cited. These reports are sent by the field officials to the concerned Departments with a copy endorsed to the Department of Finance. They, together with the factual accounting data regarding the progress of expenditure prepared by the Finance Department, form the basis of discussions of the State Development Committee<sup>14</sup> which meets once in every quarter.

A discussion of the various developmental schemes—their progress and problems—by the Committee helps in revealing the administrative deficiencies, the state of progress of expenditure, and the physical progress under different schemes. The Committee asks for explanations where progress is found wanting and gives an 'on the spot' directive for diversion of funds, if such diversion is considered necessary. The discussion and review of the problems enable the Committee to appreciate the difficulties of Departments in the implementation of the plan and to take remedial action. The composition of the Committee is in itself a great advantage, as the decisions taken by the Committee need not be subjected to routine circulation and can be implemented immediately, thus avoiding red tape. The Committee is thus engaged in the quarterly meetings in a review of the policy and the progress made in the implementation of the Plan, and in offering a lead and a direction in all these matters. It has been deemed that the supervision and direction provided by this Committee have played a considerable part in the success which the Madras Government has achieved in the working of the Plans.

It would, therefore, appear that the Cabinet either as the State Development Committee or through its sub-committee in the shape of the Standing Finance Committee, not only scrutinises the budget proposals but also reviews the implementation and execution of the Budget. This predominant role of the Cabinet correspondingly reduces the importance of the Finance Department in a way. The working of the Treasury in the U.K. and the Finance Ministry at the Centre indicates an active role for the traditional civil service at the departmental level, while the system of the Madras Government reveals an active role for the Cabinet for the political executive; and to that extent it has to be conceded that the conventional role of the Finance Department has been usurped by the Cabinet.

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14. The Committee consists of the Chief Minister and the Cabinet Ministers, and all the Heads of Departments are also invited to the meetings. The Finance Department acts as the secretariat of the Committee. It prepares the agenda and furnishes a brief note in respect of the financial aspects of each item included in it.

## SOME SUGGESTIONS ·

The reforms suggested in the context of the Madras State fall under three sub-heads: (i) Delegation of Powers, (ii) Accounting Machinery within the Department, and (iii) Continuous technical assistance in financial matters to achieve economy.

It has been pointed out earlier that there is no delegation of powers to the Secretariat Departments. While this system would have been economical and efficacious in the past, it is a moot point whether it can fit into a situation where the growing complexity of expenditures and the added problems related to Plans and programmes make delegation of enhanced financial powers essential.

The delegation of financial powers in Madras may be evolved with reference to the following criteria: (a) that the powers are considerable enough to provide a degree of freedom to the administrative Departments, and reduce the reliance on the Finance Department; (b) that a raising of the financial ceiling in respect of the delegated powers will not deter the Finance Department from having a grasp of the activities of a Department. In matters like waiver, recoveries, and write off of losses, etc., greater delegation of powers can be made. The working of such delegated powers can be assessed through a system of periodical reports from the administrative Departments. Such a delegation is necessarily to be supplemented by a system of periodical review and inspection of the procedures and powers practised and enjoyed by the Departments. The one and the only attempt at reform—the Special Officer's Report in 1958—emphasised the need for greater delegation of powers to the field officers, but was almost silent where the Secretariat Departments were concerned, thereby giving the impression that non-delegation did not, in the past, prove an obstacle to progress. However, the changing characteristics of the functions of the Government demand a change in the division of powers also, and to that extent delegation of more powers is imperative.

Secondly, any unit responsible for the implementation of a policy should have its own data to enable it to formulate a policy, and examine the working of a policy. The data, excepting for a few Departments, are, as stated earlier, compiled by the Ways and Means Section of the Finance Department. The need for such a unit within the administrative Department hardly requires emphasis. The installation of an Accounts Section in each Department would not only help a proper compilation of data, but also aid in the fulfilment of other accounting and budgetary tasks.

Another direction in which reform would be helpful is in the installation of an advisory machinery. It has been pointed out earlier that this function is performed by the Financial Advisers attached to each Ministry in the Central Government. An advisory and consultation machinery at the departmental level, supplementing the functions of the State Development Committee, would be useful. In a planned process of economic development, the need for economy is both consistent and constant; and as far as possible such economy should be built in too. The Finance Department's objective of ensuring economy, as we have seen earlier, is in practice confined to examining the estimates at the pre-budget stage, in avoiding lapses, and the phasing of expenditure only. Each one of these phases of implementation of a scheme may throw up opportunities for economies which have not been foreseen. The timely utilisation of these economies is possible only when the persons concerned have a fair degree of financial acumen, and continuous acquaintance with matters of this nature. These ends can be fulfilled through the association of Financial Advisers. A Financial Adviser dealing with a Department or a group of Departments can make a regular and intimate study of the working of those Departments and suggest measures for economy. He can also review the non-developmental as well as the developmental expenditures. His review of developmental expenditures would in effect supplement the work of the State Development Committee.



"To organize himself and his work more effectively, an executive must develop a 'talent for perspective' about himself and his job. ...Without it, no pre-occupation with managerial techniques and time-saving tricks will be of any lasting avail."

—CARL HEYEL

(In "Organizing Your Job in Management")

## DOCTRINE OF PLEASURE AND THE SERVICES IN INDIAN CONSTITUTION

*Om Prakash Motiwal*

THE rule that a civil servant holds office during the pleasure of the Crown (now the President or the Governor, as the case may be), has its origin in the Latin phrase *durante bene placito*, meaning that the tenure of office of a civil servant except where it is otherwise provided by statute, can be terminated at any time without cause assigned.<sup>1</sup>

The Doctrine of Pleasure as applied in England has two legs to stand upon. First, the King's high prerogative, and secondly, public policy. The first is exercised by King only, the latter can be exercised by the appointing authority. Neither can delegate the power to a subordinate authority.

### DEVELOPMENT OF THE DOCTRINE

In India, the Doctrine of Pleasure has been borrowed from English constitutional law where a servant of the Crown holds office during the pleasure of the Crown and he can be dismissed from service at pleasure except where a tenure is provided by a Statute. Even if there is any special contract regarding the tenure of an office between the Crown and the civil servant, the Crown is not bound by it on the ground that the Crown could not fetter its future executive actions by entering into a contract in matters concerning the welfare of the country.

The conception of 'pleasure tenure' in respect of the services was for the first time introduced in India when the East India Company was administering the country by a statute of William IV in the following words:

"Nothing in this Act shall take away the powers of the said Court of Directors, to remove or dismiss any of the Officers or servants of the said Company, but that the said Court shall and may at all times have full liberty to remove or dismiss away such officer or servant at their will and pleasure."

The Court of Directors of the East India Company could not and did

1. State of Bihar vs. Abdul Majid, A.I.R. (1954), S.C., 245.

not exercise this power as a prerogative, which belonged to His Majesty only. It was based on public policy only.

When the administration of India was transferred from the hands of the Directors of the East India Company to the British Crown in the year 1858, 'pleasure' as a Royal prerogative was asserted in the Queen's proclamation<sup>2</sup> which reads as follows:

"And we hereby confirm in their several offices, civil and military, all persons now employed in the service of the Hon'ble East India Company, subject to our future pleasure and to such laws and regulations as may hereafter be enacted."

Rules regulating recruitment and conditions of service of civil servants were framed by the Secretary of State in Council, or authorities, authorised by him. These rules were in the nature of executive instructions and it was never obligatory to follow them while dismissing a Government servant from service. Government service was wholly on the pleasure of the Crown. This conception of the 'pleasure tenure' remained unchanged till the passing of the Government of India Act, 1919. By this enactment a certain amount of self-government was granted to the people of India and at this time it was considered necessary that some restrictions or limitations be imposed on the Doctrine of Pleasure in order to ensure a sense of security in the minds of the Indians serving Government of India. The Act of 1919 introduced Section 96-B in the Government of India Act, 1915. Section 96-B(i) reads as follows:

"Subject to the provisions of this Act and of the rules made thereunder, every person in the Civil Service of the Crown in India holds office during His Majesty's pleasure and may be employed in any manner required by a proper authority within the scope of his duty, but no person in that service may be dismissed by any authority subordinate to that by which he was appointed."

The words 'subject to the provisions of this Act and of the rules made thereunder' limited the scope of the Doctrine of Pleasure tenure and made it a condition that pleasure was not to be exercised absolutely but with certain reservations and restrictions laid down by the Act and the rules made thereunder. These words decidedly created an impression of security in the mind of the servants under the Crown.

Other sub-sections of the Section 96-B provided that a servant under the Crown could not be validly dismissed by any authority subordinate to the appointing authority. The various rules framed

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2. Queen's Proclamation 1858, issued on November 1, 1858.

by the Secretary of State or any other authority in operation at the time of passing of Government of India Act, 1919 were recognised as duly made in accordance with the powers in that behalf. The Secretary of State was also empowered to frame other rules.

The question whether breach of statutory rules framed under Section 96-B was justiciable came up before the Privy Council in the following two important cases.

In *Venkata Rao vs. Secretary of State*<sup>3</sup> the plaintiff-appellant had been dismissed from service disregarding the procedure laid down in Rule 55 of the Classification, Control and Appeal Rules which prescribed that a charge-sheet stating the ground for action must be served to the person against whom action is proposed to be taken and he must also be given an opportunity of stating cause against the action proposed to be taken. Their Lordships of the Privy Council held that the appellant did not have any cause of action on the basis of the breach of the departmental rules though they otherwise had the force of law. In *Rangachari's*<sup>4</sup> case the plaintiff-appellant had been dismissed from service by an authority subordinate to the one by which he was appointed. He had claimed certain pension rights also. The first contention prevailed because it was a constitutional safeguard, but the second failed as it rested on the breach of certain rules which were not justiciable. The Privy Council held that although Section 96-B expressly provided that every civil servant held office during the pleasure of the Crown, subject to the provisions of the Act and the rules made thereunder, this did not give the civil servant a right enforceable by action to hold his office in accordance with the rules. According to Their Lordships the words 'subject to the rules' only amounted to a statutory and solemn assurance that the tenure of office, though on pleasure, would not be subject to capricious or arbitrary action, but would be regulated by rules and that the remedy for breach of the rules was by approach to the higher authorities under the Government and legal action in the court of law.

The Government of India Act, 1935 by Section 240(1) reproduced the Doctrine of Pleasure. It stood asserted in all its grandeur in respect of the civil servants of the Government. The words 'subject to the provisions of the rules made thereunder' occurring in Section 96-B of the 1919 Act were omitted and Section 240(3) raised a departmental safeguard to the constitutional one, providing for giving a reasonable opportunity to the servant of showing cause against the action proposed to be taken against him. Power to frame rules for the Government

3. *R. Venkata Rao vs. Secretary of State*, A.I.R. (1937), P.C., 31.

4. *R.T. Rangachari vs. Secretary of State*, A.I.R. (1937), P.C., 27.

servants was preserved under Section 241(2) and the Governor-General and the Governor were empowered by Section 241(5) to deal with the case of any person serving His Majesty in a Civil capacity in such a manner as may appear to him to be just and equitable.

The above description will show that these provisions were not materially different from Section 96-B of the Government of India Act, 1919. Deletion of expression 'subject to rules' from Section 240(1) solved the difficulty experienced by the Privy Council in not giving them their full effect. The Government of India Act, 1935 in fact affirmed the statement of law in the two above-mentioned Privy Council cases. The main difference between the Acts of 1919 and that of 1935 was that in the former Act only one limitation on the Crown's pleasure was prescribed, namely, that no Government servant could be dismissed by an authority subordinate to that by which he was appointed, whereas in the latter Act a second limitation was introduced, namely, that no such person should be dismissed or reduced in rank until he had been given a reasonable opportunity of showing cause against the action proposed to be taken in regard to him.<sup>5</sup> Another difference between these Acts was that while under the former Act all the services were placed in the same position, under the latter Act special provision was made for the police force prescribing that the conditions of service of the subordinate ranks of the various police forces should be such as might be determined by or under the Acts relating to these forces.<sup>6</sup>

The interpretation of Section 240 of the Government of India Act, 1935 came up before the Privy Council in *I.M. Lall's case*.<sup>7</sup> In this case Their Lordships formulated three important questions of construction for decision, viz., first, is sub-section (1) of Section 240 qualified by sub-section (3)?, secondly, is sub-section (3) mandatory or permissive?, and thirdly, what is the proper construction of the words in sub-section (3) 'the action proposed to be taken in regard to him'? Our concern here is only with the first two questions, and they are in fact inter-related to each other. The substance of these questions is, whether a Government servant holds a civil post absolutely on the pleasure of His Majesty or he can be reduced to a lower rank or dismissed only after he has been given a reasonable opportunity of showing cause against the action proposed to be taken in regard to him? Privy Council answered these questions in the following words:

5. Sub-sections (2) & (3) of Section 240 of the Government of India Act, 1935.

6. Vide Section 243 of the Government of India Act, 1935.

7. The High Commissioner for India and another *vs.* *I.M. Lall*, A.I.R. (1948), P.C., 121.



"Their Lordships have no difficulty in holding—in agreement with both the High Court and the Federal Court that the provision as to reasonable opportunity of showing cause against the action proposed is now put up on the same footing as the provision now in sub-section (2) of Section 240, which was subject of decision in 64 I.A. 40,<sup>8</sup> and that is no longer resting on rules alterable from time to time, but is mandatory, and necessarily qualifies the right of the Crown recognised in sub-section (1) of Section 240 of 1935."

#### DOCTRINE OF PLEASURE UNDER THE CONSTITUTION

Article 310 of the Constitution runs as follows:

"(1) Except as expressly provided by this Constitution every person who is a member of a defence service or of a civil service of the Union or of an All-India service or holds any post connected with defence or any civil post under the Union, holds office during the pleasure of the President and every person who is a member of a civil service of a State or holds any civil post under a State holds office during the pleasure of the Governor of the State.

"(2) Notwithstanding that a person holding a civil post under the Union or a State holds office during the pleasure of the President or, as the case may be of the Governor of the State, any contract under which a person, not being a member of a defence service or of an All-India service or of a civil service of the Union or State, is appointed under this Constitution to hold such a post may, if the President or the Governor, as the case may be, deems it necessary in order to secure the services of a person having special qualifications, provide for the payment to him of compensation, if before the expiration of an agreed period that post is abolished or he is, for reasons not connected with any misconduct on his part, required to vacate that post."

The Constitution also adopted more or less the same pattern laid down in the Government of India Acts, 1919 and 1935 and the Privy Council regarding the Doctrine of Pleasure. This fact is supported by the Hon'ble Judges of the Supreme Court in Dhingra's case<sup>9</sup> in the following words:

"As under Section 96-B(1) of the 1915 Act and Section 240(1)

8. R.T. Rangachari vs. Secretary of State for India in Council.

9. Parshotam Lal Dhingra vs. Union of India (1958), S.C.R., 828.

of the 1935 Act, the persons specified therein held office during the pleasure of the Crown so under Article 310(1) they hold their office during the pleasure of the President or of the Governor, as the case may be. The opening words of Article 310(1), namely, except as expressly provided by this Constitution, reproduce the opening words of Section 240(1) of the 1935 Act, substituting the words 'Constitution' for the word 'Act'. ..."

The expression 'during the pleasure' in Article 310 relates only to tenure of office of the civil servant and does not relate to other conditions of service.<sup>10</sup> Pleasure of the President or of the Governor does not mean that Article 310 is attracted only when a Government servant is dismissed by the President or the Governor himself. Constitution has clearly provided<sup>11</sup> that all the executive powers of the Union or of a State may be exercised by the President or the Governor either directly or through officers subordinate to him. Hence Article 310 is attracted whenever a person is dismissed by an officer competent to dismiss such person serving under the Union or a State as the case may be.<sup>12</sup> The words 'President' and 'Governor' in Article 310 denote the executive powers of the State.<sup>13</sup>

Justice Dhavan of the Allahabad High Court has expressed his views on the importance and aims of Article 310 in his judgment<sup>14</sup> in the following words:

"Article 310 invests the State with absolute control over the tenure of every State servant (subject to the safeguards contained in Article 311). This wide power was conferred on the State by the founders of the Constitution in their wisdom and for reasons of sound public policy. They adopted the British principle (subject to the safeguards of Article 311) under which the Crown can remove any servant at pleasure. This was no idle provision inserted in a light-hearted manner by persons who did not realise its implications. The fathers of the Constitution devoted a special chapter to the services under the Union and the State. Article 310 was woven into the fabric of the Constitution. They could have followed other Constitutions under which the State servants have been granted rights against the State. But, with their eyes open, they adopted the maxim *durante*

10. Mallesappa Hanamappa Bellary vs. State of Mysore (1961), I.L.J., 479.

11. Articles 53(1) and 154(1) of the Constitution.

12. Madho Singh vs. State of Bombay, A.I.R. (1960), Bombay, 285.

13. Jagannath Prasad vs. State of U.P., A.I.R. (1954), Allahabad, 629, followed in Jagannath Singh vs. Assistant Excise Commissioner (1959), Allahabad, 771.

14. Laxmi Narain vs. District Magistrate, A.I.R. (1960), Allahabad, 55.

*bene placito* (with safeguards) under which the Crown can remove any servant at pleasure. They made it the most important pillar of Chapter XIV—the pillar on which rests the State's control and power of discipline over its servants. Why? Presumably because they realised that in the peculiar conditions of India the interests of discipline and efficiency required that every State servant must know his place when 'he is talking to the State' so to speak. They wanted every State employee to realise that the State is the master who holds the whipland and though the State in India would treat its servants generously in its bounteous liberty the whipland must always be there. This appears to be the purpose for which Article 310 invested the State with arbitrary powers over its employees."

#### RESTRICTIONS ON PLEASURE

The words 'except as expressly provided by the Constitution' of the Article 310(1) are very significant because they lay down certain restrictions and limitations on the exercise of the pleasure by the President and the Governor. These words also refer to Articles 124, 148, 217, 218 and 324 which respectively provide that the Supreme Court Judges, the Comptroller and Auditor-General, the High Court Judges and the Chief Election Commissioner shall not be removed from their offices except in the manner laid down in those articles.<sup>15</sup> They hold their offices not at the pleasure of the President but during their good behaviour.

Article 310 is subject to two limitations.<sup>16</sup> One of these restrictions is contained in Article 309 and the other in Article 311. The former Article provides for framing of rules, which has the same force as Section 96-B of the Government of India Act, 1919, and there is guarantee to the effect that the pleasure of the President or the Governor, as the case may be, is to be exercised according to law or rules framed under Article 309 and not arbitrarily. The restriction imposed by Article 311 is procedural rather than substantive. The provisions of Article 311 operate as a proviso to Article 310(1).<sup>17</sup> As the service of a Government servant is terminable at the pleasure of the State, no grounds upon which the services of a Government servant may be terminated can be fixed.<sup>18</sup> It has also been universally held by the High

15. Pradyat Kumar Bose vs. the Hon'ble the Chief Justice of Calcutta High Court, (1955), 2, S.C.R., 1331.

16. Dwarka Chand vs. State of Rajasthan, A.I.R. (1958), Rajasthan, 38.

17. P.L. Dhingra vs. Union of India, A.I.R. (1958), S.C., 36.

18. Madho Singh vs. State of Bombay, A.I.R. (1960), Bombay, 285.

Courts that no rules can be made which may fetter or restrict the power of the President or the Governor to dismiss a Government servant at pleasure.<sup>19</sup> Such rules are merely administrative directions and contravention of their provisions will not confer upon the dismissed servants a cause of action. It is only those rules which relate to conditions of service as contemplated in Article 309 and which create a right in the Government servant are enforceable in a court of law.<sup>20</sup> The Bombay High Court has held that no right of action is vested in a dismissed Government servant for a declaration that he is entitled to hold his office in accordance with the rules or that he could only be dismissed as provided by the rules and in accordance with the procedure prescribed thereby, the only exception to this principle being the cases where protection is provided in favour of the Government servant in the Constitution itself.<sup>21</sup>

Under Article 309 the appropriate legislature may regulate the recruitment and conditions of service of persons appointed to public services. The words 'conditions of service' in this Article in their comprehensive sense take in the tenure of a civil servant.<sup>22</sup> Therefore, 'the tenure of pleasure' is also one of the conditions of service. Article 309 opens out with a restrictive clause, namely, 'subject to the provisions of this Constitution'. It means that this Article is subject to the provisions of Article 310; with the result that the power of the legislature to lay down the conditions of service would be subject to 'the tenure at pleasure'. The Supreme Court has firmly held that the Parliament or the State legislatures cannot make a law abrogating or modifying this tenure so as to impinge upon the overriding power conferred upon the President or the Governor under Article 310 as qualified by Article 311.<sup>23</sup> The Bombay High Court<sup>24</sup> had earlier held that this pleasure cannot be fettered except by the provisions of Article 311 which means that pleasure cannot be fettered by ordinary legislature. The question whether the Governor can change the conditions of service of State employees has also been settled by a Full Bench of the Allahabad High Court in a case decided recently.<sup>25</sup> The Learned Judges in this case held that under Article 309 read with Section 21 of the General Clauses Act, the Governor of a State is competent to alter rules regulating conditions of service from time to time and

19. Jagannath vs. State of U.P., A.I.R. (1954), Allahabad, 629.

20. Malleshappa Hanamappa Bellary vs. State of Mysore, A.I.R. (1961), Mysore 88.

21. A.K.P. Shankarlingam vs. Union of India (1962), Bombay, L.R., 1.

22. North West Frontier Province vs. Suraj Narain Anand, A.I.R. (1949), P.C., 112.

23. State of U.P. vs. Babu Ram Upadhyaya, A.I.R. (1961), S.C., 751

24. Ravindran vs. Patel (1956), S.A. No. 1061/1956, referred to in Shankarlingam vs. Union of India (1960), 62 B.L.R.L.

25. Ram Autar vs. State of U.P., A.I.R. (1962), Allahabad, 328.

he is not required by the Constitution to obtain the consent of the Government servants at the time of altering the rules. It is also not necessary for him to give an opportunity to the Government servants to opt the changed rules. The altered rules will be applicable to all concerned. The Allahabad High Court has also laid down in another case that Article 310 has no retrospective effect.<sup>26</sup>

#### FUNDAMENTAL RIGHTS AND THE DOCTRINE OF PLEASURE

The question whether Article 310(1) of the Constitution is controlled by the Fundamental Rights has been one of the important points to be decided in many cases. High Courts were not unanimous on this point but the difference seems to be settled now. Some High Courts held the view that Article 310 being a special provision relating to termination of services of Government servants, the general provisions of Article 14 are not applicable to it. It seems emphasis on Article 13 was not properly given while putting these cases before the Courts because it absolutely prohibits the State not to make any law which takes away or abridges the Fundamental Rights. Here the word 'law' includes any ordinance, order, bye-law, rule, regulations and notifications. There are certain other provisions<sup>27</sup> of the Constitution which prescribe that the executive power of the Union or the State is to be exercised in accordance with the Constitution which means that State is to exercise the pleasure within the framework of the Constitution.

The Allahabad High Court has, in a recent case,<sup>28</sup> overruled its earlier judgments and has now laid down that the pleasure under Article 310 cannot be exercised in a discriminatory manner and is controlled by such Fundamental Rights as in Articles 14, 15 and 16. 'Though Article 14 does not abrogate or derogate from the power of the State to terminate the service of any of its servants at its pleasure, it does enjoin that this power is exercised not in discriminatory manner'. Article 15(1) is attracted if a person's service is terminated on the ground of religious bigotry, racial prejudice or casteism or provincialism or sex.<sup>29</sup> Article 16(1) prescribes equal treatment and prohibits arbitrary discrimination and personal differentiation under Article 310. Rangachari's case is the latest ruling on the subject.<sup>30</sup>

26. Banarsi Das Kankan vs. Uttar Pradesh Government, A.I.R. (1959), Allahabad, 393.

27. Articles 53 and 54 of the Constitution.

28. Moinuddin vs. State of U.P., A.I.R. (1960), Allahabad, 484.

29. *ibid.*

30. General Manager, Southern Railways vs. Rangachari (1961), 2 S.C.J. 424.

To sum up, we can say that the English common law rule regarding the holding of offices by public servants only during the pleasure of the Crown has not been adopted by us in its entirety with all its rigorous implications. The 'pleasure' of the President and the Governor is controlled by the Fundamental Rights guaranteed under the Constitution and its use is restricted by Articles 309 & 311. At the same time the word 'pleasure' has been used because it was the intention of the framers of the Constitution to lay down clearly in the Constitution that the relationship between the State and the Government servant is not contractual and they cannot claim any privilege by way of right.



"All in all, the question before us is not a question of 'the man *versus* the State', or of individualism *versus* collectivism. There is no point in the question: there is no such antithesis; there is, at the most, a tension, which is as healthy as it is necessary. Nor is the question before us a question of 'Society *versus* the State', or of the voluntary principle *versus* the principle of legal control and regulation. There may be more point in that question; but again there is no antithesis, for both of the things thus opposed are needed, and both may be needed equally. Here, however, the tension is greater; and here, as we have already seen, there is a reasonable ground for debating, not so much *what* the State should do and *what* Society should do (both handle equally a number of matters, and few matters can be said to belong exclusively either to the one or to the other), as *when* and in what conjuncture Society should be the agent, and *when* and in what conjuncture the agent should be the State."

—ERNEST BARKER

(In 'Principles of Social & Political Theory')

# THE COMPTROLLER AND AUDITOR-GENERAL AND PUBLIC ENTERPRISES IN INDIA

*Laxmi Narain*

OUR commitment to a socialistic pattern of society adds vastly to the importance of public enterprises. They are destined to play a crucial role in the country's economy in the years to come. The efficiency and economy with which they are managed naturally concern all of us. Of equal importance is the need for an impartial body to judge their working and to report on their achievements and failures.

Audit is one of the important instruments of control and accountability, and more so when put in the hands of an independent public authority—the Comptroller and Auditor-General, hereinafter referred to as the C. & A.G. This article aims at discussing the nature and effectiveness of this method of control. The existing legal provisions in this behalf, in their historical perspective, are first described.

## II

The organisational pattern broadly governs the type and method of audit in Indian public enterprises. If they are run departmentally like the Chittaranjan Locomotive and ordnance factories, the accounts are subject to conventional Government audit. The accounts of the enterprises registered as Government companies are audited by professional auditors (chartered accountants) appointed by the Central Government on the advice of the C. & A.G. Till recently, the procedure for appointment used to be that the company forwarded the name or a panel of names of the auditors to the Government of India. The latter sent it for approval to the C. & A.G. who almost invariably accepted the company's suggestion. In very few cases where it was not accepted by the C. & A.G. the reasons mostly were that either the auditor had been too long with the company, or he had already appointments in other Government companies.

At present, the auditors to be appointed are not suggested by the company concerned, nor by the Government. The Government forwards to the C. & A.G. the names of the companies in which auditors are to be appointed. The C. & A.G. then recommends the name of the auditors to be appointed in each of the enterprises. The Government can ignore this advice, but so far no such instance has occurred.

In public corporations diverse audit provisions exist. The Damodar Valley Corporation Act provides that the accounts shall be audited in such manner as may be prescribed in consultation with the C. & A.G. Under the rules framed under the Act, however, the Central Government has provided that the audit shall be conducted by an officer of the C. & A.G. A later amendment to the rules has provided that the accounts so audited must be countersigned by the C. & A.G.<sup>1</sup>

In the Industrial Finance Corporation Act, 1948, audit was entrusted to 'not less than two auditors' appointed by the Central Government. By an amendment in 1952, only one of the two auditors was to be appointed by the Central Government *in consultation with the C. & A.G.* and the other elected by the institutional shareholders of the Corporation. The Central Government's power of giving directions to the two professional auditors requiring them to report upon the adequacy of measures taken by the Corporation for the protection of its shareholders and creditors, or on the sufficiency of their audit procedures was also to be exercised in consultation with the C. & A.G.<sup>2</sup> In addition, the C. & A.G. was given a right either on his own motion, or on a request from the Central Government, to undertake such audit and at such times as he considered necessary. Another provision made was that if the Central Government was called upon to pay any subventions on account of its guarantee of the Corporation's loans, the C. & A.G. shall undertake the Corporation's audit.<sup>3</sup>

The above provisions were not discussed in any detail at the time they were introduced through an amending Bill. The justification for the amendment given by Shri M. C. Shah, the then Deputy Minister of Finance piloting the Bill, was that it brought the Industrial Finance Corporation Act in line with the State Financial Corporations Act, 1951, which contains similar provisions. The Deputy Minister also disclosed that the amendment was in accordance with the wishes of

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1. *Gazette of India*, 27th December, 1952, Part II, Sec. 3. The Public Accounts Committee, in their Reports on the Accounts for 1947-48 (post-partition), have observed: "As regards the audit of other corporations financed either entirely or partly by the Central Government, we share the views held by the C. & A.G. that his functions and responsibilities should be defined in explicit terms in the statute itself providing for the setting up of a Corporation." p. 5.

2. *Industrial Finance Corporation Amendment Act*, 1952, Sec. 24.

3. *ibid.* The Accounts of the Corporation for the year ended June 1954 were for the first time audited by the C. & A.G. as empowered by this Section. At that time the Corporation was receiving a subsidy from the Government. Since the year ended June 1957 no subventions on account of guarantee have been received from the Government, but audit by the C. & A.G. continues, perhaps because earlier subventions have not yet been returned in full.



the Public Accounts Committee.<sup>4</sup>

There was hardly any discussion on the audit provisions of the State Financial Corporations Act which inspired the above amendment except that Shri A.C. Guha, M.P., made an unsuccessful attempt to the effect that both the auditors, which the Bill provided, should be appointed by the C. & A.G. He expressed an apprehension that "the shareholders may put some convenient auditors".<sup>5</sup>

The propriety of appointing auditors on the basis of the interest they represent is open to question. If an auditor is appointed by the Government as a shareholder and the other by the rest of the shareholders, both being qualified chartered accountants, should there be difference in their approach to the work? Are not both expected to audit according to the well-established traditions and practices of the profession? The auditor is an impartial expert who protects the shareholders' interests in general. No distinction therefore need be made between the two sets of auditors appointed to carry out audit. In any case, when the Government considers it necessary, it can exercise its power of using direction to the auditors, in consultation with the C. & A.G. under the Act, regarding the way in which audit is to be carried out.

In the Rehabilitation Finance Administration, incorporated in 1948, the C. & A.G. was not entrusted with power to audit; professional auditors were to be appointed by the Central Government.<sup>6</sup> But as a part of the systematic extension of the C. & A.G.'s audit control to public enterprises, the Rehabilitation Finance Administration Act was amended in 1953 and the C. & A.G. replaced professional auditors.<sup>7</sup>

In the case of Reserve Bank Act, 1934, an amendment made in 1948 provides that the accounts shall be audited by not less than two auditors appointed by the Central Government.<sup>8</sup> The Central Government is also empowered to appoint the C. & A.G. to examine and report upon the accounts of the Bank. The provision, however, seems to be formal safeguard and has not been invoked in practice so far. The three chartered accountants appointed by the Central Government, who have remained unchanged since 1948, have been

4. During the debate on the amendment, Dr. M.M. Das, who was then a member of the P.A.C., disclosed that the Committee had reached a unanimous decision about the C. & A.G.'s jurisdiction over the Corporation. He added that the "Auditor-General himself approved this decision of the P.A.C." and "the Government was informed about this decision". *Lok Sabha Debates*, 5th December, 1952, Col. 1649.

5. *Lok Sabha Debates*, 28th September, 1951, Col. 3664.

6. *The Rehabilitation Finance Administration Act, 1948*, Sec. 16.

7. *Rehabilitation Finance Administration (Amendment) Act, 1953*. This Corporation was wound up in 1957 by the Repealing and Amending Act, 1957.

8. *The Reserve Bank of India (Transfer to Public Ownership) Act, 1948*, Sec. 7.

submitting a routine and formal report, without any comments year after year.

When the nationalisation of air transport was being discussed by Parliament in 1953, the opinion had more or less been changed in favour of the C. & A.G. Not much discussion therefore took place on the audit provisions or the Air Corporations Bill which provided that accounts of the two air corporations shall be audited by the C. & A.G.<sup>9</sup> The Air-India, however, in addition, gets its accounts audited by two firms of auditors "in accordance with the generally accepted auditing standards applicable to joint stock companies". The reasons given by the Air-India are: First, the C. & A.G. is not obliged to complete the audit of the Corporation's annual accounts and to issue certificate on which the Board of the Corporation could rely to enable the Board to adopt the annual accounts and submit it to the Central Government within the time stipulated, and secondly, the Boeing Loan Agreement contained a provision for the submission of a periodical statement of accounts by the Corporation duly certified by the chartered accountants satisfactory to the banks.<sup>10</sup> According to Rule 6 of the Corporation it has to submit its accounts duly passed by the Board to the Central Government and the C. & A.G. by 31st August every year. The Corporation perhaps does not feel confident to do so unless its accounts have been audited by qualified auditors. The Indian Airlines Corporation does not follow this practice.

When the C. & A. G. carries out a full-fledged audit of the Air-India International, the need to appoint private auditors may be questioned. As in the I.A.C., the Air-India International also could develop a strong internal audit department to avoid the present duplication. As regards the Corporation's second argument, it may be noted that professional auditors were there even before the Boeing Loan Agreement.

The State Bank of India Act, 1955 provides for the appointment of two qualified auditors by the Reserve Bank in consultation with the Central Government. In addition, the Central Government can appoint "at any time such auditors as it thinks fit to examine and report on the accounts of the State Bank".<sup>11</sup> When the State Bank of India Bill was under consideration in the Lok Sabha, Shri B. Das, a senior member of the House, felt strongly on the question of audit, and remarked: "I got the surprise of my life when in the year 1955 in clause 41<sup>12</sup> (which dealt with audit) there is no desire to mention the name of

9. *The Air Corporations Act, 1953, Sec. 15(2).*

10. *Thirty-fourth Report of the Estimates Committee* (Second Lok Sabha), p. 39.

11. *State Bank of India Act, 1955, Sec. 41(1) & 41 (9).*

12. This is now Section 41 of the State Bank of India Act.

the Auditor-General.”<sup>13</sup> He reminded the Minister (Shri A. C. Guha) that in other financial corporations, viz., the Industrial Financial Corporation and the State Financial Corporations, the C. & A.G. had been given a hand. The Minister’s reply to this was naive and weak. He said: “Every one of the Auditor-General’s reports is placed on the Table of the House and is liable to be debated. . . . The State Bank will continue to be the biggest commercial bank of the country giving credit not only to other scheduled banks but also to industrial and commercial concerns. In these circumstances it is not quite prudent to lay all its reports on the Table. There may be some defects also; I do not claim that there will not be any defects or deficiencies, but still if we accept the function of this Bank as that of the biggest commercial bank of the country we cannot take that risk.” He conveniently overlooked the fact that the Industrial Financial Corporation and the state financial corporations were also in the nature of banking institutions. To Shri B. Das’s interruption that “You cannot evade the constitutional position”, the Minister baldly replied: “That may be a point for the Supreme Court.”<sup>14</sup>

At the time of the clause-by-clause discussion, an amendment was introduced to the effect that the auditor be appointed by the C. & A.G. and not by the Reserve Bank, but it was lost.<sup>15</sup> Similarly, another amendment negatived was that the Centre’s power “to appoint such auditors as it think fit” should specifically be mentioned to include the Auditor-General.<sup>16</sup>

A year later when the Life Insurance Corporation Bill was before the Lok Sabha, there was a major controversy on the issue of the C. & A.G.’s audit control over the Corporation. The Minister, Shri C.D. Deshmukh, who piloted the Bill, had to face a rough time in keeping the C. & A.G. at arm’s length. The Minister was in difficulty, particularly because, in the past, at his own instance, the C. & A.G. had found a place in the statutes relating to several public corporations, and in the law dealing with Government companies. He had no convincing answer to the question repeatedly thrown at him: Why other commercial and business enterprises were put under the C. & A.G.’s jurisdiction? His argument was that “the enterprises like the D.V.C., I.F.C., Air Corporations and Government companies function more

13. *Lok Sabha Debates*, 23rd April, 1955, Col. 6135. Shri B. Das had been agitating for the nationalisation of the Imperial Bank for a long time and as such was given the first chance to speak on the nationalisation bill.

14. *ibid.*, Col. 6390. It is interesting to note that when Shri A.C. Guha was not sitting on the Treasury Benches his views about the powers of the C. & A.G. in relation to public enterprises were different. (See p. 76 *ante*.)

15. *Lok Sabha Debates*, 30th April, 1955, Col. 7167.

16. *ibid.* This amendment was introduced by a Communist member, Shri Sadhan Gupta. There was no discussion on the motion.

or less under governmental conditions". He also took the help of arguments of maintaining *status quo* in the Corporation's working, and of the shortage of staff with the C. & A.G.<sup>17</sup>

Shri C. D. Deshmukh discounted the main fear expressed by the M.Ps. that denying the C. & A.G.'s jurisdiction would affect parliamentary accountability. His appeal was: "You could always add later, if you find the present system does not work." And finally the emotions were brought into play. The Minister felt "terrified of the wisdom and hindsight" of the C. & A.G. He went on to disclose: "When I took the initiative in suggesting nationalisation of life insurance, to my colleagues in the Cabinet I said that if the affairs of the Corporation, or whatever we might establish, were going to be audited by the ordinary audit machinery, then I would not recommend the nationalisation of life insurance."<sup>18</sup>

The impression of an unjustifiable extension of the Auditor-General's control along with Dr. Paul H. Appleby's scathing and assailing criticism of the Auditor-General<sup>19</sup> (a reference to it was made by him during the debate) might have influenced the Minister's thinking on the subject. The Minister fought and won against the C. & A.G. The clause regarding audit, was not finally amended to bring in the C. & A.G.'s audit. The impression<sup>20</sup> given was that the question was being fought more on prestige than on merit, though it could be fought on merit as well.

The above discussion indicates how a systematic effort has been made by Parliament to extend the jurisdiction of the C. & A.G. to all public enterprises. The criticism that was levelled by the C. & A.G., Shri Narhari Rao, that Government companies were a fraud on the constitution because, *inter alia*, the C. & A.G. had not been given a statutory right to audit Government companies has been met by the amendment of the Companies Act in 1956, which provides that the C. & A.G. shall have a right (a) to direct the manner and to give instructions about the way the accounts shall be audited, (b) to conduct a supplementary or test audit, (c) to comment upon or

17. Lok Sabha Debates, 21st May, 1956, Cols. 9073, 9078.

18. *ibid.*, Col. 9078. From the official records it appears that while speaking about the C. & A.G. the Minister's remarks had to be expunged at three places. It is therefore difficult to gauge the emotions intermingled with the issue. Lok Sabha Debates, 22nd May, 1956, Col. 9223.

19. Paul H. Appleby, *Re-examination of India's Administrative System with Special Reference to Administration of Government Industrial and Commercial Enterprises*, Cabinet Secretariat, Government of India, New Delhi, 1956, pp. 27-9.

20. One of the events which created such an impression was a note circulated by the C. & A.G. to some Members of Parliament in support of his claim to audit the accounts of the L.I.C. (Lok Sabha Debates, 1956, Appendix XIV, Annexure 32). The Minister, Shri C. D. Deshmukh, took a strong exception to the circulation of this note. (Vide Lok Sabha Debates, ...22nd May, 1956, Col. 9223.)

supplement the audit report which was to be submitted to him by the audit report which was to be submitted to him by the auditors, and (d) to advise in the matter of appointment of auditors.<sup>21</sup> Similarly, the anxiety of the Members of Parliament that the accounts of the public corporations should be audited by the C. & A.G. or at least in the matter of appointment of auditors, the C. & A.G. should have a say and that he must have the right to comment upon the audit conducted by such auditors—has been largely met except in the case of Life Insurance Corporation and the State Bank of India.

Dean Appleby attributes desire to extend the control of C. & A.G. to Parliament's "greatly exaggerated notion" of the importance of auditing and of "parliamentary responsibility". Parliament, he says, has given "unselective attention" to what he calls "the pedestrian function of auditing". He charges Parliament for not defining the functions of the C. & A.G., as the Constitution contemplated it would do resulting in "Into the vacuum thus left, the auditor (C. & A.G.) has moved."<sup>22</sup>

Whether this criticism is justified or not, it is true that because the C. & A.G. occupies an important position<sup>23</sup> in the Public Accounts Committee, Parliament has a very favourable attitude towards C. & A.G.'s audit. Serious financial irregularities in some public enterprises have further accentuated Parliament's desire to extend C. & A.G.'s audit to public enterprises.

### III

Let us now examine the content of the C. & A.G.'s audit of public enterprises and the manner in which it is conducted.

It is important to note that auditors of the C. & A.G.'s office generally insist on reporting whatever does not fit within its mould of rules, regulations and procedures. Nowhere audit manuals and

21. It is important to note that the original language in the Bill regarding appointment was "after consultation with" the C. & A.G. but it was changed to "on the advice of the C. & A.G." on a private member's motion. (Vide *Lok Sabha Debates*, 8th September, 1955, Cols. 12990-12999.)

22. Paul H. Appleby, *op. cit.*, p. 29. Appleby's reference to the Constitution relates to Article 149. This Article states: "The Comptroller and Auditor-General shall perform such duties and exercise such powers in relation to the accounts of the Union and of the States and of any other authority or body as may be prescribed by or under any Law made by Parliament. ..." Parliament, it may be noted, has not yet moved in the matter even though the matter is under consideration since 1958.

23. Very much unlike his counterpart in the U.K., the C. & A.G. in India "continuously holds consultation with the Chairman as the evidence is proceeding and very frequently asks questions from the departmental witnesses and also makes comments and observations in the course of such evidence". S.L. Shakhder, *Comptroller and Auditor-General of India and the U.K.—A Comparison*, The Indian Journal of Public Administration, Vol. IV, No. 4, p. 407.

instructions give discretion to the audit staff to attach lesser weight to lapses of procedure or regulations if the enterprise is being administered efficiently.<sup>24</sup> The auditor would argue: it is no part of his duty to pass a verdict or give a judgment about an enterprise, it is for the Public Accounts Committee or Parliament. He collects, collates and analyses facts as fully as possible and invites Parliament's attention to them. Not only that audit objections are mostly petty and formal often a presumption of *mala fide* is made simply because a particular procedure has been circumvented to meet the exigencies of a situation.

This approach is bound to do great harm to a live business organisation. Business means taking delicate decisions, some of which must go wrong. No individual in business would like to be hauled up before a parliamentary committee and explain the correctness of a decision taken years back, probably by his predecessors, in altogether different conditions and circumstances. As the C. & A. G.'s reports attract great attention from Parliament and the public, much damage could be done even by small matters.<sup>25</sup> While caution and care must be exercised, there is always a point beyond which the price to be paid for excessive caution becomes disproportionately high. People and Parliament will therefore have to be educated to be tolerant of minor errors if an enterprise has on the whole made a success; while being intolerant of failure to achieve the specified goals.

A good deal of the criticism of C. & A.G. audit also arises because it is claimed to be an efficiency-cum-propriety audit.<sup>26</sup> For this purpose, it probes into the decisions taken by the Board of Directors. Dr. Paul H. Appleby questioned this and also objected to the instructions of the C. & A.G. regarding the audit of public enterprises which state "the audit by the C. & A.G. will be generally directed towards a

24. The Audit Department's view is that many of the rules, regulations and procedures which audit has got to follow are laid down by the administration. Government has rules of procedure for financial controls, many of which persist from the colonial days and are based on the philosophy of distrust of the individual. These rules have got to be followed even though outmoded and, in many cases, meaningless. But the blame for the results is shifted to audit. The present C. & A.G. told the writer that audit people are completely helpless about many of the rules of procedure laid down by the administration. And even the C. & A.G.'s efforts to get frustrating rules changed may not always be successful.

25. It is necessary to state that audit objections do not just go before the P.A.C. and Parliament. In addition to the discussions and exchange of views in the course of audit, before the final report is submitted to the enterprise, it is discussed in the appropriate ministry at a high level, the participants being the ministry officials, the C. & A.G. staff and the enterprise. Some of the more important observations of the C. & A.G. on various public enterprises form part of his report to Parliament which is looked into by the P.A.C. Thus, the number of objections which reach Parliament are very few as compared with the total objections raised by the C. & A.G. staff in various public enterprises.

26. According to the present C. & A.G., his audit evaluates only financial efficiency as distinct from any other efficiency. But it is not quite clear what the financial efficiency will cover.

review of the decisions taken by the board of directors to ascertain to what extent their powers have been exercised in the best interest of the undertakings."<sup>27</sup> About these instructions he challengingly asks: "What special competence for appraising objectives and appraising administrative performance in general has the C. & A.G.? What is the Cabinet for, what is the Prime Minister for, what is Parliament for, what are the individual ministers for, what is a Secretariat for, and what is a bureaucracy for?"<sup>28</sup>

Even assuming that it is proper for the C. & A.G. to conduct efficiency-cum-propriety audit, experience has shown that even with its modern slant on managerial assessment, audit can only look into managerial efficiency so far as it is reflected in the financial results of an enterprise's working. Audit of accounts, however widely interpreted, is incapable of evaluating technical efficiency.<sup>29</sup> An auditor, for instance, cannot comment upon the alternative courses of business decisions in regard to investment in factors of production, or whether the technical efficiency of the means of production is at its optimum. Similarly, an auditor is not competent to review specific management decisions.

The C. & A.G. in India in this regard suffers from an additional drawback, viz., that he does not have adequate qualified personnel. The Commercial Audit Department of the C. & A.G.'s organisation is staffed largely by those brought up in Government audit tradition. They find it difficult to adjust themselves to differing circumstances of public enterprise audit. A proper reorientation of their outlook has not yet taken place. Further, the audit parties deputed to various public enterprises are so often changed that they lack proper perspective of the enterprise's operations.<sup>30</sup> As their

27. Paul H. Appleby, *op. cit.*, pp. 28-9. These instructions were issued by Shri Asok Chanda. The present C. & A.G., Shri A.K. Roy, does not agree with them.

28. *ibid.*, p. 29.

29. Sir Frank Tribe, a former C. & A.G. of the U.K., in his evidence to the Select Committee on Nationalised Industries, said: "I could undertake the audit of public corporations, although I do not want to, but I would like to make it quite clear that, if I were to be charged with this duty I should certainly not claim that I could undertake an efficiency audit. I think there is a lot of misconception about this. I do not believe myself that any examination of a board's accounts can ever lead to a right judgment upon the efficiency as such of the organisation itself. ...I believe certain accountants in America do claim to do that kind of (efficiency) accounting, but...they have on their staff experts in personnel management and other types of efficiency, including often technical engineers and other technicians, and then they make a comprehensive report on efficiency, only part of which is related to the accounts." Report of 23rd July, 1953, H.M.S.O., Evidence, Q. 136, p. 16.

30. For instance, in the Indian Airlines Corporation, within a period of eight years, more than half a dozen important changes in the personnel of the C. & A.G. staff, which is supposed to be permanently posted there, have taken place. The attempt of the C. & A.G., it is stated, is, as far as possible, to send the same audit party to an enterprise for a reasonably long period. But there are practical difficulties of synchronising the time of audit with the availability of the staff.

conclusions are based on insufficient knowledge of the organisation, these are taken lightly and even ridiculed by persons with the inside knowledge of the organisation's working. The audit staff thus unnecessarily gives an impression of being "bloodhounds" rather than the "watch-dogs" which they are supposed to be.

In the U.S., Government corporations are audited by the Comptroller-General. But the Corporate Audit Division of the Comptroller-General's Office is largely manned by professional auditors. The standards for audit by the Comptroller-General conform to those adopted by the American Institute of Accountants and his offices conduct audit in a manner comparable to any large independent public accounting organisation.<sup>31</sup> If the C. & A.G.'s audit is to serve a more useful purpose, the need would be to strengthen its staff by recruiting persons from the profession, and of giving them suitable training.<sup>32</sup> Refresher courses would also be necessary for the existing staff to acquaint them with the ins and outs of the operation of state commercial and industrial enterprises.

#### IV

A special feature of the Government company audit requires to be noted here. Section 619(3) (a) of the Companies Act empowers the C. & A. G. to direct the manner in which the Company's audit shall be conducted and to give instructions in regard to the audit of Government companies.<sup>33</sup> In 1959, the Government wrote to the C. & A.G. to explore the possibility of giving direction under the law. But the C. & A.G. took no action in the matter. Later, a Cabinet 'direction' was given to the C. & A.G. to exercise his powers under Section 619(3) (a). Eventually in March 1962, a direction was issued to all the auditors of Government companies. The object is to make audit "more fruitful" and "to provide useful data for a correct appreciation of the public enterprises' financial operations."<sup>34</sup>

By this direction, professional auditors, among other things, have been asked to comment upon the system of accounts, internal control and costing. They are to calculate (i) return on capital invested, (ii) ratio of closing stock to net sales, (iii) ratio of net profits to

31. *Report on Management Accounting*, submitted to the Council of the Institute of Chartered Accountants of India, New Delhi, 1958, p. 128-129.

32. At present the Indian Audit and Accounts Service probationers are provided with a ten-week practical training in some firm of chartered accountants.

33. Sec. 619(3) (a) states: "The C. & A.G. shall have power to direct the manner in which the company's accounts shall be audited by the auditor appointed in pursuance of sub-section (2) that is, on the advice of the C. & A.G. of India, and to give such auditor instructions in regard to any matter relating to the performance of his functions as such."

34. Audit Report (Civil), 1962, p. 114.



net sales, (iv) ratio of current assets to current liabilities, and (v) ratio of cost of sales to net sales. The auditors would now give their opinion about the adequacy of financial provisions for the maintenance of plant and machinery, and about the effectiveness of the system of procurement and disposal of stores. The auditors are now also expected to look into the basis of fixing the selling prices of the products of the company, and how such prices compare with the cost of production.<sup>35</sup>

It is pertinent to ask: What remains for the C. & A.G.'s staff to do when the professional auditors carry out the above function, besides their own routine checks? It is argued that when these instructions will be put into effect, there may be no occasion for the C. & A.G. to conduct a test or supplementary audit (which is said to be efficiency-cum-propriety audit) as contemplated by Section 619 (3) (b). In fact, a very senior official of the Government disclosed,<sup>36</sup> that when the audit provisions in Section 619 of the Companies Act were being drafted in consultation with the then C. & A. G., Shri Narhari Rao, it was never thought that the test or supplementary audit would be carried out in every case. It is therefore, hoped that this power would be more of a formal nature and used sparingly. Shri Asok Chanda has suggested that an independent audit by the C. & A.G. should be invoked "only where the normal audit reveals gross mismanagement."<sup>37</sup>

It has been suggested that if the C. & A.G. voluntarily spares the Government companies of his test or supplementary audit, particularly when professional auditors are appointed on his advice, and he directs their audit, it would relieve them from much inconvenience. This would not in any way mean abandonment of his audit control because under Section 619 (4) he would still continue to comment upon their reports.<sup>38</sup> It is important to note that even at present his reports on Government companies are under Section 619 (4) and not under Section 619 (3) (b)<sup>39</sup> and in majority of the cases no comments are made

35. For a complete list of aspects required to be attended to by the commercial auditors, as per the directions issued by the C. & A.G., referred to earlier, see *Annexure*.

36. The officer concerned would prefer to remain anonymous.

37. Asok Chanda, *Indian Administration*, Allen & Unwin, London, 1958, p. 202.

38. Section 619 (4) reads: "The Auditor aforesaid (the auditor appointed on the advice of the C. & A.G.) shall submit a copy of his audit report to the Comptroller and Auditor-General of India, who shall have the right to comment upon, or supplement, the audit report in such manner as he may think fit."

39. Section 619 (3) (b) reads: "The Comptroller and Auditor-General of India shall have power to conduct a supplementary or test audit of the company's accounts by such person or persons as he may authorise in this behalf; and for the purposes of such audit, to require information or additional information to be furnished to any person or persons so authorised on such matters, by such person or persons, and in such form, as the Comptroller and Auditor-General may, by general or special order, direct."

by him on the professional auditors' reports.<sup>40</sup>

V

In conclusion, dogmatism of any kind should be avoided about the C. & A.G.'s audit of public enterprises. All the world over, in varying measures there is a shift from autonomy to control over public enterprises and there is least doubt that the C. & A.G.'s audit is an important instrument of this control. What is necessary, therefore, is not to do away with the C. & A.G.'s audit, but to regulate the form, content and approach of his audit so that it may be carried out with the least damage to business efficiency of public enterprises. An important change would be to lay much greater emphasis on the assessment of the results rather than on the meticulous implementation of the rules and procedures. As regards the failures or mistakes, the effort should be to suggest ways and means which will lead to the avoidance of abuse or irregularity in the future. Further, audit report should be oriented in a positive way so as to lead to purposive action.<sup>41</sup> It is necessary to allow greater discretion to the audit staff to decide the seriousness and implications of a default on the spot. This is only possible if the staff are competent, experienced, and sufficiently senior.

Pay scales of the staff entrusted with the audit of public enterprises would also have to be enhanced to recruit and retain sufficient number of persons of the requisite qualifications. Only a properly trained audit staff, imbued with the sense which pervades any well-organised, purpose-conscious, and efficient business organisation, could remove the stigma of 'fussy about frivolities' attached to Government audit.

It is heartening to note that both the C. & A.G. and the Director of Commercial Audit (officer directly in charge of public enterprises audit), whom the writer met, recognise the need for improvement in their department. They feel that such improvements are in the making. Their approach is definitely progressive and positive. There is appreciation of the point of view of public enterprises and a recognition of their own shortcomings. This progressive and enlightened outlook at the top is bound to be reflected at the lower levels in the course of time.

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40. Out of 36 reports or more important Government companies for the year 1960-61, no comments appear in 24 cases. The usual pattern being: "I have to state that there are no comments upon or supplementary remarks to the auditor's report under sub-section 4 of Section 619 of the Companies Act on the accounts of \_\_\_\_\_ Ltd. for the year ended \_\_\_\_\_".

41. The latest audit report on civil appropriations presents a marked improvement over earlier reports. See Chapter VIII, Government Commercial Undertakings, Audit Report (Civil) 1962.

## ANNEXURE

*List of aspects required to be attended to by the auditors, as per directions issued by the Comptroller and Auditor-General under Section 619 (3) (a) of the Companies Act, 1956.*

### I. SYSTEM OF ACCOUNTS AND BOOK-KEEPING

1. Has the Company issued appropriate instructions laying down the respective duties and responsibilities of various officers in regard to the maintenance of accounts? Does the auditor consider, on the basis of test checks exercised, that the accounting system is adequate for purpose of preparation of final accounts as well as for purpose of "auditing in depth" which involves tracing transaction through its initial to final stage? If not, what are the main deficiencies?

2. Are the books of account and the accounts records properly maintained up-to-date? If not, the deficiencies may be pointed out.

The auditor may indicate when the final draft of the accounts is given for audit.

3. In regard to a company with subsidiary units or branches, does the Head Office maintain proper control accounts of branches? Is there any drawback in the system of control accounts maintained?

4. Is the allocation of expenditure during construction between Capital and Revenue properly done so that the cost of an identifiable unit of plant (e.g., coke oven in steel plant) can be ascertained? If not, the defective cases should be indicated.

### II. INTERNAL CONTROL

1. Has the Company issued adequate instructions indicating the financial powers of heads of branches and their subordinates? Does the procedure provide for adequate financial checks and safeguards?

2. Is there an internal audit system? Are you satisfied that the important points thrown up by the internal audit have been considered by the administration and necessary action taken? If not, indicate the more important points on which consideration/action is outstanding. Have any drawbacks in the system come to your notice?

3. Does the Company prepare the budget for a financial year with adequate details sufficiently in advance? If so, the actual performance in regard to control over revenue and expenditure in relation to budget provision may be indicated.

### III. MANUFACTURING AND PRODUCTION ACCOUNTS

1. Does the Company maintain periodical quantity accounts of production of the major products? How do these compare with the periodical targets fixed?

2. Does the Company prepare accounts indicating the cost of a unit of its major products? Have you any general comments to make on the effectiveness of the system of cost accounting?

3. Are records maintained for determining the rejections in production? Have you noticed any abnormal variations?

### IV. PROFIT & LOSS ACCOUNT

1. On what basis are the selling prices of various products of the Company fixed? How do they compare with the cost of production?

2. Has adequate financial provision been made for maintenance of plants and machinery? Are there stand-by plants? If so, how far are they worked during the year as ascertained from the records of the Company?

3. Has the Company obtained any waiver or moratorium of interest on loans obtained by it from Government or others? To what extent has the Profit and Loss Account of the year been affected by such a concession?

### V. BALANCE SHEET

1. What are the total volume of book debts during the last four years as on the dates of the respective balance sheets? What are the amounts of debts outstanding for more than one year?

2. Does the system of procurement and disposal of stores ensure that (i) stores much in excess of the reasonable requirements of maintenance and production are not accumulated; (ii) the amount of (a) surplus, and (b) unserviceable stores are periodically determined; and (iii) surplus and unserviceable stores are disposed of the system?

#### VI. GENERAL REVIEW

1. What is the ratio of long-term loan advanced to the Company to the paid-up Capital?
2. What is the return on Capital invested (Share Capital, long-term loans and free reserves) during the last four years?
3. What is the (i) ratio of closing stock to net sales, (ii) ratio of net profit to net sales, (iii) ratio of cost of sales (goods) to net sales, (iv) ratio of current assets to current liabilities, over the four years ending with the year's accounts which are audited?
4. What are the subsidies/grants paid during the last five years by Government to the Company?
5. What is the trend of maintenance cost of Service units for the benefit of the staff during the last four years? Are *proforma* accounts maintained in respect of their operation? If so, what are the results?

#### VII. GENERAL

Have you any other observations to make in regard to the accounts of the Company or their financial working?

## QUARTERLY JOURNAL OF LOCAL-SELF GOVERNMENT (Bombay)

*Edited by*  
Chunilal D. Barfivala, M.A., LL.B., M.L.C.

This Journal is published Quarterly by the Local Self-Government Institute in co-operation with the All-India Institute of Local Self-Government. It deals with the various aspects of Local Self-Government and contains views of experts thereon. It is considered indispensable to research students. It is submitted that it is the best Journal published in India on the subject and popular with the Universities. No post-graduate student dealing with any aspect of Local Self-Government can afford to neglect reading the same.

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## DISPARITIES OF REPRESENTATION AMONG THE DIRECT RECRUITS TO I.A.S.\*

D. N. Rao

THE I.A.S. Cadre, constituted under the All-India Services Act, 1951, consists of persons recruited from different sources. Of these different sources, however, those recruited on the basis of open competitive examinations, conducted annually by the Union Public Service Commission since 1948 for candidates in the age group of 21-24, form a sizable part of the total strength of the cadre. This article represents an attempt at studying the pattern of representation among these direct recruits as it emerged during the fifteen-year period from 1948 to 1962.

More specifically, an effort is made to answer the following questions:

1. What is the State-wise distribution of the direct recruits to the I.A.S. like? Are there any imbalances in regional representation?
2. What economic classes are these recruits drawn from?
3. To what extent are the weaker sections of the community, notably, Scheduled Castes, Scheduled Tribes, Women and Agricultural interests, represented in the Service?

On all these matters data are fortunately available and a statistical analysis yields interesting conclusions.

### *Disparities in Regional Distribution*

It can be readily seen from Table I that disparities in regional representation do exist in a distinctly noticeable manner. What is of greater significance is the non-existence, until 1961, of any indication that these disparities have been becoming less pronounced. For all the thirteen years from 1948-1960, eight States, namely, Andhra, Assam, Bihar, Kerala, Madhya Pradesh, Mysore, Orissa and Rajasthan, together account for only 23.6% of the total number of recruits, while Madras State alone claims 24.1% of them. Similarly, Punjab

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1. Based on a paper prepared for the Public Services Conference organised by the Indian Institute of Public Administration from March 10-11, 1962 at New Delhi. The author has also made considerable use of the statistical analysis and observations made in two earlier papers written by Shri R.K. Trivedi, I.A.S. and himself, published in the Journal of the National Academy of Administration in July 1960 and July 1961.

TABLE I  
Distribution of the I.A.S. Probationers according to their Home States (or domicile)<sup>1</sup> from 1948 to 1960

Sl. Year No.	Andhra	Assam	Bihar	Bombay <sup>2</sup>	Delhi	Kerala	Orissa	Madras	M.P.	Mysore	Punjab	U.P.	West Bengal	Rajasthan	Himachal Pradesh
1. 1948	2	...	1	2	1	2	...	6	...	1	5	6	5	1	...
2. 1949	...	...	1	2	3	...	...	10	...	...	7	3	6	1	...
3. 1950	2	...	3	2	1	1	2	10	1	...	3	7	3	...	...
4. 1951	...	...	2	1	...	2	1	6	...	3	6	7	2	...	...
5. 1952	...	...	1	1	...	...	1	8	1	4	7	8	2	...	...
6. 1953	...	...	...	...	2	1	1	5	4	1	3	7	1	...	...
7. 1954	1	...	...	5	2	3	1	6	1	...	9	7	1	...	...
8. 1955	2	...	2	5	4	2	1	12	...	3	4	6	3	2	...
9. 1956	2	1	1	5	7	2	...	17	2	3	10	9	2	...	...
10. 1957	2	...	1	10	8	5	2	19	1	...	8	16	4	1	...
11. 1958	1	...	3	8	11	1	3	15	4	7	2	8	...	1	...
12. 1959	3	...	2	2	3	2	5	15	...	3	3	11	4	1	...
13. 1960	1	3	5	4	6	3	2	19	...	5	5	9	5	4	1
14. 1961 <sup>3</sup>	2	7	2	6	3	4	4	19	1	5	10	12	8	3	...
15. 1962 <sup>4</sup>	8	6	4	2	7	1	8	19	1	3	13	16	8	3	...
TOTAL	29	20	29	60	62	29	28	186	18	36	96	132	54	20	1=800
Percentage	3.6	2.5	3.6	7.5	7.8	3.6	3.5	23.3	2.3	4.5	12.0	16.5	6.8	2.5	1=100

1. A continuous stay for a period of not less than five years in a State is taken to mean domicile status for the purpose of this Table.
2. Includes Gujarat and Maharashtra.
3. Excludes one from Jammu and Kashmir.
4. Includes one from Nagaland.

and Delhi too, in spite of their limited geographical area and population, enjoy a high status from the point of view of their representation among the direct recruits to I.A.S.

Though the predominant position of Madras, Punjab, Delhi and Uttar Pradesh remains unchallenged throughout this period, there are significant changes during the last two years in the case of some of the States which were formerly characterised by chronic under-representation. From the statistics relating to 1961 and 1962 we can see that Andhra, Assam, Orissa and West Bengal seem to have made an advance and they can no longer be classified as "under-represented" States. Their emergence during these two years with substantial gains in the I.A.S. cadre is a welcome development in the matter of restoring regional balance. It is to be hoped that this happy change will not be shortlived and that it will be sustained in the years to come.

#### *Disparities in Economic Status of the Families*

Table II gives a complete picture of the distribution of I.A.S. probationers according to the economic status of their parents. Data on this aspect are available from 1948 to 1960 only. A brief explanation would seem to be called for in regard to the three categories which have been devised. A certain amount of arbitrariness cannot probably be avoided in any simple classification of the type attempted here. Be that as it may, the income of the last category, namely, (C), has been fixed at Rs. 300.00 per month because it happens to coincide with the income tax exemption limit. The income in the first category, namely, (A), has been fixed at Rs. 900.00 per month, because it coincides with the lower limit of the senior scale of pay in the I.A.S. All the other people in between these two limits are put in the middle category, viz., category (B). The classification, therefore, roughly corresponds to the general notion of upper, middle and low income groups. There may, however, be a few cases on the borderline for which this classification is inadequate. But from the data available, it can be safely said that the error due to such marginal cases is negligible.

It will be observed from the Table that as high a percentage of recruits as 58.2 on the average come from the middle category (B). The predominance of people having middle class background in administrative services and intellectual professions is the rule in all countries. However, there seems to be a gradual and significant decline in their numbers over the past decade. From 74.3% in 1950 they have come down gradually to 38.9% in 1960. We do not notice a

TABLE II  
Distribution of I.A.S. Probationers according to the Economic Status of their Parents from 1948 to 1960

Sl. No.	Year	Total number in the batch	Category (A) Income over Rs. 900.00 per month		Category (B) Income between Rs. 300.00 and Rs. 800.000 per month		Category (C) Income below Rs. 300.00 per month	
			Number	Percentage	Number	Percentage	Number	Percentage
1.	1948	33	6	18.2	23	69.7	4	12.1
2.	1949	33	9	27.3	22	66.6	2	6.1
3.	1950	35	9	25.7	26	74.3	...	...
4.	1951	29	9	31.0	19	65.5	1	3.5
5.	1952	38	16	42.1	21	55.3	1	2.6
6.	1953	32	12	37.4	19	59.4	1	3.2
7.	1954	42	19	45.2	20	47.6	3	7.2
8.	1955	49	14	28.6	33	67.3	2	4.1
9.	1956	57	18	31.6	34	59.6	5	8.8
10.	1957	77	21	27.3	49	63.6	7	9.1
11.	1958	64	23	35.9	35	54.7	6	9.4
12.	1959	54	19	35.2	29	53.7	6	11.1
13.	1960	72	27	37.5	28	38.9	17	23.6
TOTAL		615	202	32.9	358	58.2	55	8.9



similar declining trend in the case of people in category (A). Deviations from the average of 32.9% in category (A), both in the upward and in the downward directions, seem to be negligible. However, when we come to category (C), we find a refreshing tendency of an increasing representation. From 3.5% in 1951, their percentage has gradually increased to the substantial 23.6% in 1960. It is quite obvious that the gains which people in category (C) have undoubtedly made, are at the expense of people in category (B). Can this be taken as an indication of a process of sharper polarisation of classes going on in Indian society, with the middle classes slowly paling into insignificance? This is probably reading too much into the figures of the Table. However, one can safely predict without any fear of contradiction that, with the increasing opportunities in the form of scholarships, etc. being provided to deserving students belonging to the lower income brackets, and with the general expansion of educational opportunities, the representation of lower income groups in the I.A.S. cadre might become more evident and pronounced.

### *Representation of 'Weaker Sections' of the Community in I.A.S.*

In Table III, four select groups have been taken into consideration.

(a) *Scheduled Castes & Scheduled Tribes*: Articles 16(4) and 335 of the Constitution provide for reservations in Services for backward classes including Scheduled Castes and Scheduled Tribes, thus permitting a more adequate representation for them consistent, of course, with the need to maintain efficiency in administration. However, the average percentages of representation for Scheduled Castes and Scheduled Tribes from 1948 to 1960 are only 2.1, and 1.5 respectively and these fall far short of the  $12\frac{1}{2}\%$  and 5% in the total reservation as envisaged in Government notifications. At present, the students belonging to these communities get concessions in respect of age, enjoy special coaching facilities and are given weightage by the Union Public Service Commission in the written examinations. When the consequences of these concessions become fully evident as years roll by, we can hope to find more persons belonging to Scheduled Castes and Scheduled Tribes in the I.A.S. cadre. In fact, this impact is being felt from 1961. By far the most spectacular development during 1961 and 1962 is the vastly improved position of the Scheduled Castes and Scheduled Tribes. In 1962 alone the number of persons belonging to the Scheduled Castes is 26 which is more than their number in all the previous years put together. Not only is their full quota of reservation under Articles 16(4) and 335 of the Constitution filled up, but quite a bit of the backlog has been cleared in one stroke. The

TABLE III  
Representation of 'Weaker Sections' among I.A.S. probationers

Year	Total number in the batch	Scheduled Castes		Scheduled Tribes		Women		Agriculture (Occupation of parents)	
		Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
1948	33	...	...	...	...	...	...	5	15.2
1949	33	...	...	...	...	...	...	5	15.2
1950	35	1	2.9	...	...	...	...	8	22.9
1951	29	1	3.6	...	...	1	3.4	...	...
1952	38	...	...	...	...	1	2.6	2	5.3
1953	32	...	...	...	...	3	9.4	1	3.1
1954	42	...	...	...	...	1	2.4	4	9.5
1955	49	...	...	1	2.0	2	4.1	3	6.1
1956	57	1	1.8	1	1.8	2	3.5	2	3.5
1957	77	5	6.5	...	...	2	2.6	2	2.6
1958	64	2	3.2	...	...	3	4.7	5	7.8
1959	54	2	3.7	2	3.7	...	...	4	7.4
1960	72	1	1.4	5	6.9	4	5.6	8	11.1
1961	87	14	16.0	6	6.9	1	1.1	n.a.	n.a.
1962	99	26	26.2	6	6.1	1	1.0	n.a.	n.a.

Scheduled Tribes have also done exceptionally well in 1961 and 1962 by annexing six seats in the I.A.S. in each year. If this tendency continues, the realisation of the general objective contained in Article 46 (Directive Principles) of the Constitution is a matter of just a few years indeed.

(b) *Women*: From the distribution of I.A.S. probationers according to sex from 1948 to 1961, we find that in no year the representation of men was under 90%. It is common knowledge that the rate of literacy among women is far lower than that of men in India. This disparity in educational attainments is more pronounced if we take men graduates and women graduates into consideration. This imbalance cannot obviously be corrected in a short time. Increasing opportunities for the education of girls together with changes in social attitudes concerning their education and employment alone can provide the ultimate solution. Modest beginnings have been already made in both these directions. It may be of interest to note that of the 21 girls selected to the I.A.S., seven have so far married. One of the married girls subsequently resigned from the Service.

(c) *Agriculture*: Here also, we have data up to 1960 only. Agriculture seems to have gone through the gamut of ups and downs over the past thirteen years in the matter of representation in the I.A.S. During 1948, 1949 and 1950 the representation of agriculturists, 15.2%, 15.2% and 22.9% respectively, though not by any means substantial, was fair enough under the circumstances. Again, during the last three years—1958, 1959 and 1960—they seem to have been faring somewhat better. But they suffered a comparative eclipse during the middle period of 1951-1958. In this category of agriculture were included landlords, peasants and all those who derive their income mostly from land. One wonders whether the significant drop in the representation of the agriculturists since 1951 has anything to do with the various types of land reforms which began to take shape and be implemented since that year. Of course, only the big landlords who suffered considerable losses in their incomes on account of the introduction of land reforms might have failed to educate their children well enough so that they could successfully compete in the all-India competitive examinations. By 1958, probably, the land policies of various State Governments had crystallized leaving little scope for false expectations. The rising percentage of agriculture from 1958 is a welcome sign, because it represents people who are active participants in the agricultural life of our country and not merely absentee landlords. However, the point must be made that though 75% of people are in the agriculture sector, their average representation in the I.A.S. is very low indeed, being only 8%.

## INSTITUTE NEWS

The President of India, *Dr. S. Radhakrishnan*, has been pleased to grant his patronage to the Institute.

\* \* \*

*Shri Jawaharlal Nehru*, Prime Minister of India, was unanimously re-elected President of the Institute for the year 1962-63 at the Eighth Annual Meeting of the General Body held on October 29, 1962.

\* \* \*

The Executive Council at its meeting held on October 29, 1962 re-elected *Shri V. T. Krishnamachari* as its Chairman for 1962-63, *Shri S. Ranganathan* as Honorary Treasurer for a term of two years, *Shri H. N. Kunzru*, *Shri Gurmukh Nihal Singh*, *Dr. G. S. Mahajani*, *Shri Sri Ram* and *Shri C. Subramaniam*, as Vice-Presidents of the Institute for a term of two years, and re-elected *Shri L. K. Jha* and *Shri L. P. Singh* as its members. The Council also co-opted *Shri Bhagwan Sahay* and *Shri Hare Krushna Mahatab*. The following were elected as members of the Executive Council for the years 1962-66 in the biennial elections: *Shri C. D. Deshmukh*, *Shri V. T. Krishnamachari*, *Lt.-Col. K. M. Kuriako*, *Shri N. V. Gadgil*, *Prof. S. V. Kogekar*, *Shri P. R. Nayak*, *Shri V. T. Dehejia*, and *Dr. K. N. V. Sastri*.

\* \* \*

The Council reappointed *Shri V. T. Krishnamachari*, *Dr. G. S. Mahajani*, *Shri L. K. Jha*, *Prof. M. V. Mathur*, *Shri S. Ranganathan*, *Shri L. P. Singh* and *Shri C. M. Trivedi* as members of the Standing Committee. The Council also appointed *Shri N. V. Gadgil* and *Shri D. L. Mazumdar* as members of the Standing Committee. The Director is an *ex officio* member.

The Council reappointed *Prof. D. G. Karve*, *Prof. S. V. Kogekar*, *Dr. G. S. Mahajani*, *Prof. M. V. Mathur*, *Shri P. R. Nayak* and *Shri L. P. Singh* as members of the Committee of Direction. The Council also appointed *Shri S. S. Khera* as member of the Committee. The Council reappointed *Shri L. P. Singh* as Editor, and *Prof. D. G. Karve*, *Prof. S. V. Kogekar* and *Prof. V. K. N. Menon* as members of the Editorial Board.

The Council reappointed the following to the School Advisory Board: *Shri S. Lall*, *Dr. G. S. Mahajani*, *Shri Gurmukh Nihal Singh*, *Shri B. N. Ganguli*, *Shri B. N. Jha*, *Prof. D. G. Karve*, *Dr. V. K. R. V. Rao*, *Shri L. P. Singh* and *Shri C. Subramaniam*. The Council also appointed *Shri P. N. Kirpal*.

\* \* \*

The Sixth Annual Conference of the Members of the Institute was held on October 28, 1962, the subject for discussion being "Panchayati Raj".

\* \* \*

In the I.I.P.A. Essay Competition, 1962, prizes were awarded as follows: First Prize of Rs. 1000 to *Dr. Iqbal Narain*, Reader, Department of Political Science, University of Rajasthan, Jaipur, for his essay on "Panchayati Raj—Democratic Decentralisation", an abridged text of which is given at pp. 9-34 in this issue of the Journal; and a second prize of Rs. 500 to *Shri Haridwar Rai*, Senior Research Fellow of the Institute, for his essay on "The Changing Role of the District Officer, 1860-1960".

\* \* \*

An eight-week Training Course aiming at giving the participants an opportunity to get acquainted

with the economic, social, political and administrative background of India and to develop awareness of the present-day world problems, organised by the School, was inaugurated on January 7, 1963 by *Shri L.P. Singh*.

\* \* \*

The following appointments have taken place:

1. *Shri V.S. Hejmadi*, I.C.S. (retd.), formerly Chairman, U.P.S.C., as Visiting Professor in the Indian School of Public Administration from October 3, 1962.

2. *Dr. Rudra Datt Singh*, formerly Visiting Lecturer, Department of Sociology and Anthropology, Cornell University, U.S.A., as Project Director for the Panchayati Raj and Community Development Study under the Ford Foundation Scheme.

3. *Dr. V. Jagannadham*, Professor of Sociology and Social Administration in the School, to look after the duties of the Chief Research Officer of the Institute in addition to his duties in the School.

\* \* \*

Out of the four Ford Foundation Projects, a start has already been made with the appointment of *Dr. Rudra Datt Singh* on "Basic Research on the Panchayati Raj—Community Development Programme". A start will shortly be made with "Research in the

Administrative History of India" when *Dr. B.B. Misra* joins. This will still leave two projects, viz., "Depth Study of Experience in Preparing Five Year Plans" and "Depth Study of Administration of Technical Assistance Programmes in India" for which, one Director for each, with the complement of staff, still need to be appointed.

According to the Ford Foundation Scheme, two experienced administrators are to be appointed during 1962-63 with one additional experienced administrator being added each year during the next five years. After *Shri V.S. Hejmadi's* appointment to one of these posts, the other remains to be filled up. The Institute is looking for a person for an appointment to this post.

\* \* \*

The recent publications brought out by the Institute are: (1) "Personnel Management in Public Undertakings" — (Short-Term Course Lecture Summaries) (price: Rs. 2.00); (2) "The Industrial Management Pool: An Administrative Experiment" by H.K. Paranjape (price: Rs. 4.00); (3) "The Damodar Valley Corporation—A Brief Study" by P. Prasad (price: Rs. 2.00); (4) "The Establishment of the Heavy Electrical Plant at Bhopal—A Case Study" by S.S. Khera (price: Rs. 5.00); and (6) "Cases in Indian Administration" (price: Rs. 7.50).

## (II) TWO IMPORTANT CONFERENCES

The XIIth International Congress of Administrative Sciences, and the Second General Assembly of the EROPA and a Regional Seminar\* on "Personnel Management and

Administration" were held at Vienna (July 16-20, 1962) and at Bangkok (October 7-16, 1962) respectively. The Indian Institute of Public Administration, as a National Section of

\*The subject of the Seminar was discussed in three Working Groups formed for the purpose as below:

Working Group I —Organisation of the Civil Service

Working Group II —In-service training of Government officials for economic development

Working Group III —Academic Training of Government officials

the former and as a Group Member of the latter, participated in them.

As the conclusions arrived at by both would be of interest to the readers, they are summarised below:

#### (I) XIITH INTERNATIONAL CONGRESS OF ADMINISTRATIVE SCIENCES

##### *Technical Assistance in Public Administration: Lessons of Experience and Possible Assistance*

The purpose of technical assistance in public administration was not to provide solutions for general application, but to assist the countries concerned in their efforts to solve their administrative problems under the best conditions. Due importance should be attached to the need for a previous evaluation of the requirements to be covered by the technical assistance to be requested and received. As to improvements in the management of assistance by the requesting countries, special structures should, if necessary, be set up and attached to the highest political authority. A special section for public administration was desirable when it was warranted by the importance of that branch of assistance. It was essential to establish reception structures to deal with the experts when they arrived and to maintain the best possible conditions for the performance of their duties during their entire stay.

As regards the efficiency of technical assistance missions, several members favoured a permanent corps of specialised experts, as it would result in greater efficiency and speed in specifying requirements and the requesting countries could play a more active part in the selection of the experts. The opposing view was that it would be impracticable owing to the variety of the situations to be dealt with,

problems to be solved, and techniques to be used. Some favoured sending teams of experts instead of individual experts, the opposing view being that the individual expert was essential where advisory duties were involved. No consensus of opinion could be reached on the method of training and briefing of experts, although the compelling need for it was recognised.

Concerning the training of administrative personnel at home and abroad as a form of technical assistance, it was felt that training programme should, in addition to the technical aspect, recognise a study of the history, habits and customs and mentality of the inhabitants of the country. Any extension of the duration of fellowships and scholarships should be refused so that the greatest possible number might benefit.

Paying attention to the problems of research and documentation, the Congress resolved that a programme of priority research should be conducted by the I.I.A.S. with the co-operation of research institutions having access to experts' reports. This should include the establishment of closest possible co-operation among all the countries, and public and private organisations either providing or requesting technical assistance; consideration should be given to the dissemination and making available of an increasing amount of documentation. In each country documentation centres and an organisation by which administrative texts, precedents, and national administrative documentation might be classified, listed, and co-ordinated, should be developed. The Congress further resolved that the I.I.A.S. should arrange to provide each country with the guidance likely to be useful or necessary for the above purpose.

*Public Relations in Administration:  
Official Publications*

The compelling need for citizens becoming effectively acquainted with the texts of legislation and regulations was stressed. It was not enough for such texts to be published in an official gazette. Care had to be taken that people actually knew them. In this connection, the training of civil servants was of considerable importance, for they had to see the citizens' points of view. It was also pointed out that the administrative authorities should have practical means for complying with the obligations arising from the Brussels (1886) and Paris (1958) international conventions.

Of the three fundamental problems—authorship, publishing, and circulation—concerning official publications, circulation appeared to be the most important. Decentralised circulation would perhaps be more useful.

As regards the means of circulation, some countries favoured free distribution while others preferred sales, even at a nominal price; but the consensus of opinion was that too low a price was just as undesirable as too high a price. The importance of having complete catalogues of official publications was agreed to unanimously. Some centralisation in this field made very full catalogues possible. As regards the authorship, the need was strongly emphasised for respect for the initiative of departments, and for having an efficient agency responsible for co-ordinating the practical and budgeting side of the work. Centralisation should be limited to technical means of information with a view to rationalisation.

*Government Organisation for  
Economic Development*

It was realised that a planned

economy in the strict sense of the term, and a joint public and private economy or a programmed economy were essentially different in that the former could in fact only operate in a highly nationalised system based on imperative administrative acts, while the latter operated with a fairly extensive private sector and on the basis of indicative recommendations.

Any economic development policy led not only to the creation of new ministries and agencies but also to a development of public law. Thus the strict separation of powers was no longer always respected, for part of the legislative power was often left to the Government in order to reach certain social, cultural, and economic goals without any parliamentary control. Governments, moreover, often surrounded themselves with technicians and, for the implementation of their economic programmes, set up new institutions of a political nature, thus bringing about conflicts with the official departments of a more administrative character. It might, therefore, be deduced that an economic development policy often implied a strengthening of and changes within the executive. This was much more so in the developing countries, where all the stimulus must be provided by the public authorities.

DISCUSSIONS AT THE SPECIAL MEETINGS OF REPRESENTATIVES OF SCHOOLS AND INSTITUTES OF PUBLIC ADMINISTRATION

(i) *The Need for Training Programmes and Research*

Mr. Bourdean de Fonteney (France) pointed out to the need of public administrator being versatile, while being highly specialised. He was of the opinion that Training for Public Administration should contain a strong element of general

culture including foreign languages. The value of practical exercises and internship should be duly recognised; so should an insight into modern administrative techniques and human relations. The training should in particular provide the knowledge which cannot be found in books. *Mr. Martinez Cabanas*, speaking about the importance of education in development and in particular the necessities and problems involved in the implementation of economic programmes, referred to the efforts undertaken by the Inter American Development Bank. *Shri Bapat* felt that very little in the field of training in Public Administration was actually new. He stressed the need for an exchange of information among schools and institutes of Public Administration.

#### (ii) *New Teaching Methods in Public Administration*

(A panel, composed of *Mr. A.F. Leemans* (Netherlands), *Mr. F.J. Tickner* (United Nations), and *Mr. Z. Ayalew* (Ethiopia), introduced the discussions on *Teaching Methods in Public Administration*.) There was general agreement that new teaching methods are mainly inspired by two elements, namely, the desirability of having students actively involved, and to lay a link between theory and practice. The type and methods of teaching and the teaching programmes depend on the type and level of the students. Lecturing is still one of the pillars on which teaching should rest, and should satisfy the need of a systematic covering of the subject. Student participation, which could be materialised by class discussion on lectures and by seminars and other means, should aim to make pupils themselves identify the problems, to evaluate, and to criticise. Regular contact with practice was considered essential. Administrators

should act as lecturers and field visits should be made. The system of compulsory or optional internships, besides field work and case studies, was recommended. It was generally felt that team work and the promotion of team spirit should receive close attention.

The training in developing countries should often start at a lower level and be as elementary as possible. A statement that it is not important to distinguish between developed and underdeveloped countries, but more relevant to distinguish between developed and underdeveloped minds met with much approval.

A valuable suggestion was to conduct regular discussions among professors of an institute about their teaching methods, so that they could learn from others and improve their own teaching.

#### (iii) *Case Studies*

(A panel, composed of *Mr. E. Bock* (United States), Chairman, *Prof. V.K.N. Menon* (India), *Mr. E. Pusic* (Yugoslavia), and *Mr. A. de la Oliva de Castro* (Spain), introduced the discussions.) There was general agreement that case studies could be used in training, research and for operational use in Public Administration. They aim at conveying a sense of reality to a group of students and to show how a group of officials made their decision. As opposed to internships and field work, which bring the students to reality, case studies bring reality to the students. They form a bridge between the principles of Public Administration and the complexity of reality. Moreover, they give an opportunity to build up knowledge in an empirical manner, which is especially important under conditions of development in emerging countries.

At the same time it was also felt that a case tends to bring in all possible aspects and factors, and is



thus, on the one hand, more complex than reality and, on the other, does not do full justice to the emotional factors which may be involved in decision-making. One case is not sufficient to give a full picture of the functioning of administration; for this, a series of cases is necessary.

There was general agreement that cases would tend to be irrelevant for other countries. The developing countries can in general benefit little from cases from advanced countries.

#### *(iv) Co-operation among Schools and Institutes*

There was a general agreement about the need for co-operation among schools and institutes, particularly among developing countries which have not only to develop their own institutes for the training of all levels of Public Administration, but also to establish their own governmental institutions. The fields in which co-operation was considered most necessary were: distribution of information on the establishment and running of institutes of Public Administration, their structures and activities, the exchange of students and arranging for fellowships and internships abroad; exchange of information on teaching programmes, methods, and materials; development of a scheme for the international publication and distribution of articles, papers and excerpts from books in order to build up a documentation which could be widely used for teaching in different countries; undertaking parallel case studies and research.

\* \* \*

According to the new arrangements laid down by the revised Statutes of the I.I.A.S., a Round Table Conference would be held in the spring of 1964; the Congress would be held during the summer of 1965.

\* \* \*

Prof. V.K.N. Menon, Director, I.I.P.A., was elected as an Alternate Member of the Executive Committee (elected in compliance with Article 20 (a) of the new Statutes) of the I.I.A.S.

#### **(2) EROPA SECOND GENERAL ASSEMBLY SEMINAR ON "PERSONNEL MANAGEMENT AND ADMINISTRATION"**

##### **(1) ORGANISATION OF THE CIVIL SERVICE**

The organisation of a competent and responsible civil service is of utmost significance in the achievement of national, social, and economic goals through effective public administration.

##### **(i) Civil Service System Based on Merit**

If the most qualified citizens are to be attracted to the public services, they should be selected and promoted on the basis of merit coupled with adequate training, control, compensation and security of service. The concept of merit presupposed a process of competition and comparison on the basis of certain standards.

The present practice in the region of recruitment for middle management and lower level positions through written examinations and sometimes supplemented by interviews, and for technical and higher level administrative positions on an evaluation of academic degrees and previous experience combined with personality test is satisfactory.

While the position classification contributes to managerial clarity and to the promotion of a certain degree of equity in the matter of employee compensation, it is doubtful whether in developing countries where there is a civil service system based on personal rank it would be more expedient to develop

improvements in the existing rank system rather than to set up a position classification system.

The number and breadth of pay ranges in relation to position classification is a matter of administrative convenience. Whereas narrow pay ranges clearly specify position limits, broad ones are more flexible to administer and provide better incentive for promotion.

The desirability of government salaries being comparable with those of private industry is inapplicable in the region because of its predominantly agricultural economy and the absence of comparable positions in the private enterprise. Therefore the governments must determine the pay rates keeping in view the rising costs of living, the supplementary compensations admissible apart from basic salary and other factors.

A systematic in-service training as a tool of management is imperative to increase competence and efficiency. The acceptance of valid and reliable measures of merit would require a higher degree of development about testing techniques and performance evaluation.

#### (ii) *The Scope of the Civil Service*

The judiciary, military personnel, foreign service, personnel employed in government enterprises and posts on contract basis should be excluded from the scope of the civil service for the purpose of determining how far in the administrative hierarchy should the Civil Service go. Civil Service should have enough flexibility to allow each new administration or incoming chief executive to appoint selected personnel of his own choice, provided sufficient guarantees are afforded to those who have chosen the public service as a vocation of lifetime to rise to a position of honour and distinction. No hard and fast rule could be laid as to where the

career sector should end and the other should begin.

It was the consensus that if and when civil service personnel are appointed to political posts, their civil service status should not be jeopardised and that the career system should reach the highest possible level in the governmental hierarchy.

#### (iii) *Status and Location of the Civil Service*

To maintain a strong civil service, a central civil service agency with sufficient authority adequately and completely staffed with enough funds and a measure of freedom from political interference is necessary. The experience in the Region seemed to favour Commissions where the role of the agency is advisory and/or review of personnel cases on appeal.

More important than organisational composition of the leadership or hierarchical location was the prestige and influence enjoyed by the central personnel agency as well as the quality of the leadership provided to it. Considerable importance also attaches to the views and convictions of the chief executive towards the civil service.

#### (iv) *Role and Functions of the Civil Service Agency*

All existing civil service agencies in the Region perform recruitment and selection. The power to appoint, promote and discipline is generally vested in the line agencies with the central personnel agency performing an assistance, recommending and inspecting or review function.

When the major function of the civil service agency is one of control, it is able to perform such function better if it is more or less an autonomous body. However, as its service function assumes more and

more ascendancy, it is better located among the staff services to the chief executive in order to be closer to the stream of administration. The best situation would be that where the central personnel agency is within the office of the chief executive but allowed a great deal of independence in its operations.

#### (v) *Some Major Problems*

The problem of unemployment, strong extended family relationships coupled with delay and involved procedures in the central personnel agency, geographic affinities and personal friendships, all combined together, exert a pressure on the civil service agencies to grant exceptions to the established rules. Other major problems relate to lack of adequately trained personnel, poor pay, inadequate system of fixing duties, too much centralisation of personnel functions, over-emphasis of control functions by the central personnel agency, need of simplification and standardisation of personnel procedures, reducing contract and temporary employment which occasion exemptions from the civil service, attracting qualified personnel to serve in the rural areas and lack of concept of the proper role of management. Significant strides had been made to strengthen civil service systems in the Region in recent years. However, much more remains to be done. The Working Group believed that the EROPA could make significant contributions towards this end.

### (II) IN-SERVICE TRAINING OF GOVERNMENT OFFICIALS FOR ECONOMIC DEVELOPMENT

#### (i) *Overall Objective of In-service Training*

Any in-service training set up to accomplish economic development should include the following

aspects: programme-minded training; need for professionalisation in the public service; human relations; right relationships between the official and the political executive; spirit of compromise, tolerance and decisiveness; and responsiveness to public opinion.

#### (ii) *Responsibility for In-service Training*

The responsibility for in-service training rests with management, and for overall co-ordination with staff of the organisation. The various training programmes could be divided into: (a) pre-entry training, which should be the job of the staff with some participation of the line; (b) post-entry training, which should usually be planned and recommended by the staff but should mainly be done by the line; and (c) on-the-job training, which should be the responsibility of the supervisor and should be done entirely by line departments.

#### (iii) *Evaluation*

Evaluation techniques should be built into the training programme: while applying evaluation techniques for higher level executives extreme caution should be taken. For formal training, evaluation should be done by those who give training, and for informal training it may be either by the superior of the trainee, or by his supervisor, or even by the employee himself. When training is cautioned with external checks, self-evaluation is the best way. Further, evaluation should be considered as a continuous process and not an assessment primarily through the use of formal examinations.

#### (iv) *Methodology*

For formal management training, courses should be offered in the very broad fields of: public

finance, planning personnel administration, interpretation and use of statistics, public law, research methodology and techniques, and reporting and public relations. Some general liberal arts could also be included. The contents of training should vary with levels of officials being trained. For the top level executive, courses should include policy formulation and training; for middle management and supervisory levels emphasis should be on procedures for delegation of powers; and for lower supervisory levels, emphasis should be on techniques necessary for carrying out specific jobs and on reporting and public relations.

For an effective management training the following are essential: survey instruments, including measuring devices that would probe attitudes, morale and motivational variables; psychological tests and achievement tests; text materials such as manuals and handbooks; conference leadership guides; case studies; problem-solving exercises; and audio-visual aids, such as slides and films.

#### (v) *Major Problems*

The three major problems facing in-service training in the Region are:

(a) Lack of adequate personnel and organisations that could carry out effective training essential to economic development aspirations; (b) the lack of training materials, especially of materials indigenous to the country using them; and (c) the need to enhance the professional knowledge of the senior civil servants who take on new key position.

To overcome these problems, the Group asked the EROPA to encourage the development of qualified personnel to carry out training in the governments of member-countries; to secure and provide funds for research to develop indigenous in-service training materials for

its members; to create a library facility to receive, contain and publicise in-service training materials of both indigenous and non-indigenous nature; and through its liaison with other international bodies to receive and distribute in detail full information on regional educational and training facilities that become available from time to time.

#### (iii) *ACADEMIC TRAINING OF GOVERNMENT OFFICIALS*

##### (i) *The Necessity and Advisability of Academic Training*

The necessity of academic training was not disputed, although personnel qualities and circumstances obviously also affected administrative success.

##### (ii) *Organisation for Academic Training*

Various forms and types of organisation for academic training were considered. Among these were universities, other governmental institutions (as in the Republic of Vietnam), which provided training on entry or soon after entry. A third category would consist of Administrative Staff Colleges (as in India and Pakistan).

Regarding the institutions to be preferred for providing training on, or immediately after, entry, no answer could be given without considering historical and social factors. Also, more may depend on the men who staff an institution than on its formal description or structure. Generally, immediate post-entry training was considered to be more adaptable to the training needs of government when it was organised within a governmental agency.

##### (iii) *Selection of Trainees*

Regarding selection of trainees, it was felt that generally, a man's

immediate superior, or perhaps the head of his department, is in good position to decide whether he should be put forward for training or not. But his opinion should be checked and supplemented by the views of those in the training organisation. Practice varied between different countries of the Region, as to the area of selection of trainees, i.e., whether they should already be in government service or not. Regarding qualifications, it was felt that it should be restricted to only degree-holders.

#### (iv) *Curricula and Training Methods*

Curricula need not be within the subject areas of 'public administration' or in the 'administrative sciences'. They might include liberal education or professional (non-administrative) courses, either before or after entry. These may be classified in various ways. The most helpful distinction might be between 'broad-gauge' and 'narrow-gauge'. The former combines the broad study of public administration with that of related social science disciplines; it is designed to have an effect over the years and not just in the immediate future. The latter trains for a rather limited range of technical positions to be performed in the immediate future. On the whole, participants favoured the broad-gauge approach, although it was remarked that in the Region a number of programmes did contain some rather narrow-gauge detailed courses. Courses may combine the general and the specific approaches.

The general aim should be that by various methods, new officials, some time after appointment, should have acquired:

- (a) a good academic background,
- (b) further instruction in certain selected subjects, and
- (c) practical and technical experience.

#### (v) *Evaluation*

Evaluation of the extent to which a trainee has benefitted may be attempted by keeping in touch with former students (for instance, in the case of a university, through an alumni association), by getting the opinion of those who are working with the former students, by circulating how quickly they have been promoted, and so on. These tests are imprecise, but they are a better indication of 'success' than the actual grades attained at the end of a training course.

Regarding evaluation of the training course programme the courses can be looked at from time to time, say at intervals of three or five years. A visiting professional committee with members from other institutions might be employed to do this. Alternatively, the opinions of students could be sought either in person or by noticing whether they 'voted with their feet' by avoiding certain elective courses.

#### (vi) *Some Major Problems*

Most outstanding among the major problems revealed in the session were:

- (a) How can those in the public service who are not convinced of the value of training be persuaded that they are mistaken?
- (b) In any particular country, what is the ideal location for training courses to be given on entry into the civil service, a university or a non-university institution?
- (c) In many countries the demand for training facilities exceeds the supply. What can be done to remedy this?
- (d) What will be the effects of the growth of professional institutions and associations which set their own professional standards on the recruitment and training policies of governments in the Region? To what extent should governments formalise their requirements for such

institutional qualifications? (e) How can the supply of indigenous teaching materials and translations of materials originally prepared in other languages be increased? (f) In what ways might trainees and training programmes be evaluated more satisfactorily? (g) How could interest in executive development (as in Administrative Staff Colleges) be further encouraged in the Region?

The information gathered about training practices in the Region, however, was not large and the discussions would not be fully representative.

\* \* \*

There will be three Executive Council Meetings—each meeting being associated with a Working Party/Seminar to be held respectively in the second and last quarters of 1963 and the second quarter of 1964. At each of these Seminars one of the following topics will be taken up:

- (a) Planning for Development,
- (b) Organising for Development, and
- (c) Financial Administration for Development.

The Third General Assembly and Seminar will be held in the last quarter of 1964.



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## RECENT DEVELOPMENTS IN PUBLIC ADMINISTRATION

### (I) INDIA\*

The most important recent developments in Public Administration in India are the administrative measures undertaken to meet the national emergency. The Government of India set up a National Defence Council in November 1962 to advise the Central Government on matters directly or indirectly effecting the defence of the country. The Council has formed two committees, viz., the Military Affairs Committee and the Public Relations Committee. The former is required to take stock of the situation and arrangements for national defence from time to time and advise the Government on those matters. The latter is required to assist in building up and suitably guiding the national will to defend the country and also to suggest to the Central Citizens' Committee such measures as may be considered necessary for the utilisation of public participation in national defence.

Following the lead given by the Central Government, steps have also been taken by the State Governments to meet the emergency. The Government of Maharashtra has set up Citizens' Defence Committees in each district to mobilise, stimulate and channelising the participation of people in the defence efforts. Within Government, a Cabinet Subcommittee and a War-Purpose Committee have been formed.

The Government of Gujarat has

constituted Sainik Fund Committee, Surakshan Sahayak Samiti and Defence Committees at the district and taluk headquarters all over the State.

The Government of Madhya Pradesh has also constituted a Defence Council at the State level and District National Defence Committee and Tehsil sub-committees; the Home Guards Organisation has been extended to the whole State and a Village Volunteer Force is to be raised from 23,000 Panchayats in the State.

The Government of Uttar Pradesh has formed a Citizens' Defence Council at the State level to deal with civil defence problems. The Prantiya Rakshak Dal is being reoriented and its activities being intensified by integrating it with the network of Community Development and Panchayati Raj institutions.

The Rajasthan Government has, apart from forming Citizens' Committees, set up a Co-ordination Committee with the Chief Secretary as its Chairman, to deal with administrative matters. An organisation has been set up to establish liaison between defence production and factories within the State which are able to switch over to production of material required for defence.

\* \* \*

Steps have also been taken by the Central Government and the State

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\*The developments regarding Panchayati Raj recorded in this feature are those which have taken place after September 1962. For earlier developments the feature "Recent Developments in Panchayati Raj" in the I.I.P.A. Special Number on Panchayati Raj (Vol. VIII, No. 4) may be referred.

Governments to economise in Government expenditure as a measure of emergency. Important features of such steps are:

- (1) No new hand to be employed as far as practicable.
- (2) All transfers of Government servants not necessary in the defence interest to be kept in abeyance.
- (3) Minimum use of transport services like rail, air, etc.
- (4) Economic use of electricity, furniture, paper, stationery in Government offices.
- (5) Only very essential periodicals and journals to be retained.
- (6) Normally no delegation to be sent abroad.

Some of the additional steps taken by certain State Governments are as follows:

**Bihar :** All possible legal and administrative actions to be taken by all the Departments of Government for the recovery of outstanding dues including rents, taxes and loans.

**Mysore :** (i) 5% reduction in budget provisions for expenditure connected with committees, tribunals and conferences. (ii) Recurring grant under loans and advances for 1963-64 to be limited to 75% of the grant for the current year.

**West Bengal :** (i) When limitation of budget provisions is a primary check on expenditure, provisions should be reduced to the level of firm commitments. (ii) Expenses on under-trial prisoners to be reduced by expediting disposal of criminal cases.

\* \* \*

The emergency led to important administrative reorganisations. The Ministry of Defence was reorganised by setting up a Department of Defence Production within that Ministry to look after defence production and inspection organisation, H.A.L., B.E.L., Mazagon

Docks Ltd., Gardenreach Workshops Ltd., Calcutta, the defence research and development organisation and other matters that may be assigned by the Prime Minister from time to time.

The Ministry of Economic and Defence Production was constituted comprising the Department of Supply, the Department of Co-ordination, and the Department of Technical Development.

The reorganisation of administrative machinery has not, however, been exclusively due to emergency; steps have been apace even before the emergency. The Maharashtra Government, for instance, appointed in September 1962 an Administrative Reorganisation Committee under the chairmanship of Shri S.G. Barve, Minister for Finance, to make a comprehensive review of the administrative machinery of the State with special reference to its capacity to undertake adequate development programmes. Earlier, the State Government had also appointed a senior officer (Shri V.M. Joshi, I.C.S.) *inter alia*, to examine the effects of the transfer of the work hitherto done in the offices of the heads of the departments, regional officers and district officers to Zila Parishads.

The Orissa Government bifurcated the Department of Works and Transport into two departments, namely, Works and Transport Department and Irrigation and Power Department. The State Government also bifurcated the Planning Co-ordination Department into two departments, namely, the Planning and Co-ordination Department and the Community Development and Panchayati Raj Department.

The Rajasthan Government has reorganised the Finance, Excise and Taxation Department and the entire work relating to the finance has been distributed between two separate



departments, namely, the Finance (Revenue and Economic Affairs) Department and Finance (Expenditure) Department.

\* \* \*

The Andhra Pradesh Government has constituted a Standing Administration Reforms Committee under the chairmanship of the Chief Secretary, to promote administrative efficiency in Government offices and to supplement the existing arrangements; to provide standing machinery for looking into administrative deficiencies, facilitating decisions for their removal and assisting in speedy action on the decisions. The Committee will also arrange studies on specific problems and of specific sectors in administration and initiate proposals for administrative improvement in consultation with the Departments of Government.

In Rajasthan, this problem has been entrusted to an enquiry committee with Shri H.C. Mathur, M.P., as its chairman. The Committee is expected to devise ways and means of cutting down delays and expeditious disposal of business in Government offices. It is expected to go into the questions of duplication and overlapping of activities, extent of delegation of powers at various levels, public relation in Government offices and the question of co-ordination.

Earlier in February 1961 the Committee appointed under the chairmanship of Dr. B.L. Rawat, Additional Chief Secretary to the Government of Rajasthan, reported certain measures for utilisation of the services of scientists and technologists to the best advantage by relieving them of routine administrative duties.

In Madhya Pradesh, an Efficiency-cum-Economy Committee has been constituted to review the organisation and working of the administrative machinery of the State with

special reference to its capacity for functioning with the maximum efficiency in the present emergency; to suggest measures for better co-ordination and delegation of powers, and to examine the scope for effecting economy in Government expenditure.

\* \* \*

In a few other States, specific measures have been taken to effect improvement in administration, though no enquiry committees have been set up. For instance, the Government of Mysore instructed all the Heads of Departments to send before the 13th of every month to the O & M Unit a statement showing the receipt, disposal and plans of references received in their Departments together with the break-up of balances according to the periods of their pendency. The Government of Mysore has also introduced a system of level jumping in the Departments of the Secretariat. The State Government has further decided that the maximum time allowed for submission of letters, files, etc. will in future be five clear days instead of ten days prescribed earlier.

The Government of Punjab decided that the Heads of Administrative Departments should be given more powers for speedy execution of programmes.

\* \* \*

The Ministry of Food and Agriculture sponsored a scheme for training of personnel in minor irrigation and water use to provide practical training to agricultural inspectors, engineers, overseers and other engaged in the Community Development blocks and other departments of Government connected with minor irrigation and agricultural development.

The Ministry of Community Development, Panchayati Raj and Co-operation drew attention of the State Governments to the necessity

of arranging a phased programme of one week's training for all the trainers of Gram Sahayaks by the end of 1962.

The Ministry of Scientific Research and Cultural Affairs decided to extend the facilities for technical training at the existing institutions all over the country to train personnel in different fields required to step up defence efforts.

The Government of Assam arranged a series of in-service training courses for Block Development Officers, Extension Officers (Agriculture), and Sub-Divisional Planning Officers.

\* \* \*

Extension of the retirement age of Government servants was the most important development in the public personnel matters. The Government of India raised the age of compulsory retirement of the Central Government servants from 55 to 58 with effect from December 1, 1962. The scheme envisages extension of service beyond the age of 58 years in the case of scientific and technical personnel if they are fit and suitable to work. The State Governments have been advised that members of the All-India Services who are due to retire after November 30, 1962 should be continued in offices pending decision on a proposal to make the raised age of retirement applicable to them.

The Bihar Government also allowed its servants to continue in service till 58 if they were due to retire after January 14, 1963. However, on attaining 55 years of age, they have the option to retire after giving three months' notice; Government has also reserved the powers to retire after similar notice.

Another allied development in this field was the amendment of Civil Service Regulations to withhold or withdraw pensions. Under the

amended Regulations the President has been enabled to reserve to himself the right of withholding or withdrawing pension or any part of it, whether permanently or temporarily, and the right of ordering recovery from the pension if in a departmental or judicial enquiry the pensioner is found guilty of grave misconduct or negligence during the period of his service, including the period of re-employment after retirement. The amendment of the Regulations also provides for payment of provisional pension not exceeding the maximum pension till the date on which upon conclusion of proceeding final orders are passed; but no gratuity or death-cum-retirement gratuity is to be paid till the final orders of proceedings are passed.

The Bihar Government decided to amend the relevant provisions of the Bihar Pension Rules including the Liberalised Pension Rules to lay down conditions under which gratuity would be admissible, the rate of gratuity, the conditions and rate of terminal gratuity and various types of pays that will count for pension.

The Mysore Government amended the Mysore Servants' Conduct Rules, 1957, to prohibit plural marriages by Government servants without obtaining the previous permission of the State Government in writing.

The Government of Andhra Pradesh issued statutory rules for recognition of Service Association whereby the Government could give recognition to a Service Association if it ordinarily consists of a distinct class of Government employees. In the case of a Service Association relating to the Police or Jail Department, the membership is limited to such distinct ranks or ranks of employees as the Government may specify. The rules prohibit any person other than a Government employee being associated or

connected with the affairs of the Service Association.

\* \* \*

The Government of Uttar Pradesh has enforced a scheme of Panchayati Raj as envisaged in the U.P. Kshetra Samitis and Zila Parishads Adhiniyam, 1961, in the State with effect from July 18, 1962. The Adhiniyam provides that during the period between the establishment in a district of Kshetra Samiti on the one hand, and Zila Parishad on the other, the Antarim Zila Parishad shall exercise, perform and discharge the powers, functions and duties of the Zila Parishad. Accordingly, the present Antarim Zila Parishads, which were constituted in May 1958 in place of the erstwhile district bodies as interim bodies, have started functioning as Zila Parishads under the new Adhiniyam.

The Government of Orissa has framed the Orissa Panchayat Samitis and Zila Parishads (Administration of Affairs of Panchayat Samiti) Rules, 1962, which prescribe the relations between the Samiti and the Gram Panchayat and lay down, *inter alia*: (i) Administrative control of the Chairman over the B.D.O. and other officers of the Block; (ii) Specific powers of the B.D.O. over Gram Panchayats.

The Government of Mysore has decided to constitute a committee under the chairmanship of Shri Kon-

daji Basappa to review the working of Panchayati Raj institutions. The terms of reference of the Committee, *inter alia*, include: (i) To examine the recommendations of the Mysore Resources and Economy Committee on the subject of democratic decentralisation and after taking into account the recent experience in the neighbouring States to indicate whether any changes in the Law, Rules and Regulations, and the pattern and practice in force in Mysore State are necessary; (ii) To examine the constitution and inter-relationships of the Panchayati Raj institutions set up under the provisions of the Mysore Village Panchayat and Taluk Board Act, 1959; (iii) To suggest fresh taxes that the local bodies could be authorised to levy; and (iv) To examine and undertake the extent of control of Government over the local bodies.

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The Government of West Bengal has constituted an Evaluation Advisory Board under the chairmanship of the Development Commissioner to provide advice and guidance to the Programme Evaluation Organisation of the State, to assist the State Government in developing facilities for evaluation and training of all evaluation personnel and to advise the State Government generally in the evaluation of development programmes.

## (II) ABROAD

The Royal Commission on Government Organisation in Canada issued three reports dealing with management of public services, management of goods and services, and the information services of the Department of External Affairs and other departments, respectively. In the First Report, the Commission has, *inter alia*, recommended greater use of modernised method of busi-

ness in the Government Services, wider authority for the Treasury, extension of the jurisdiction of the Civil Service Commission to Crown Companies, active measures to develop bilingualism among the employees, and policy of equality for women in the public services.

In the Second Report the Commission has, *inter alia*, called for skilled planning and authority of

Government, management of goods and services, creation of two central organisations to handle purchasing and to manage property for the Government, and making of more Government printing available to private firms.

In the Third Report, the Commission has, *inter alia*, recommended the assessment of the scale and character of the information activities of the armed forces, reorganisation of the information division and the liaison services of the Department under a senior officer responsible to the Under Secretary of the State.

\* \* \*

The Royal Commission of New Zealand on State Services submitted its report to Government suggesting several changes in the New Zealand Civil Service administration. A digest of this report appears on pp. 112-117 of this issue of the Journal.

\* \* \*

The U.K. Government announced structural changes in the internal organisation of the Treasury "developing more effectively the methods of financial control and wider responsibilities for amendment" which were outlined in the Plowden Report. Under the new structure the Treasury has been organised on a more functional basis. The finan-

cial and economic work of the Treasury has been divided into three financial groups dealing respectively with (i) financial and monetary policy, (ii) public expenditure and resources, and (iii) co-ordination of economic policy. The management side of the Treasury has also been functionally organised.

The U.K. Government has also appointed a National Incomes Commission to consider pay questions and wage claims in private and public sectors and to make the facts known to the public if any settlement is against the national interest.

\* \* \*

The Government of Kenya has constituted an Advisory Planning Commission: (i) To examine and advise on plans for future development of the private and public sectors of the economy, (ii) to consider obstacles to quicker growth and advise on steps to improve efficiency and better use of resources, and (iii) to promote greater understanding of the problems of economic development, agreement with industry, labour, agriculture, public authorities and other important sectors of the economy on ways of increasing the rate of economic growth and to advise on methods of implementing the agreements reached.



## DIGEST OF REPORTS

### *NEW ZEALAND, REPORT OF THE ROYAL COMMISSION OF INQUIRY ON THE STATE SERVICES IN NEW ZEALAND, 1962.*

The Commission was appointed on July 6, 1961, with Mr. Thaddeus Pearcey McCarthy as Chairman to investigate and report upon the organisation, staffing, and methods of control and operation of the State Services in New Zealand and to recommend changes for the promotion of efficiency, economy, and improved service in the discharge of public business. The detailed aspects on which the Commission was expected to report are:

"I. Any improvements that should be made in the machinery of Government, in relation to the organisation, co-ordination and control of Departments of State and Government agencies.

II. Any major functions that should be redistributed among Departments and Government agencies, or that should be transferred to or from any new or existing agency or body.

III. Any methods by which efficiency is ensured, and any methods by which the quality or quantity of work might be improved.

IV. Any changes in policies relating to personnel that would promote an improved standard of public administration, especially in relation to:

- (a) The recruitment of staff,
- (b) The retention of staff,
- (c) The promotion of staff,
- (d) Rights of appeal,

- (e) The retirement of staff,
- (f) Classification and grading,
- (g) Training,
- (h) Discipline,
- (i) Relations between employer and employee,
- (j) Superannuation, so far as it affects the recruitment, retention, and retirement of staff, and
- (k) Physical working conditions.

V. The machinery for wage and salary determination, and the principles on which wages and salaries should be based.

VI. Any amendments that should be made in existing legislation to promote improvements in any of the aforesaid matters.

VII. Any associated matters that may be deemed to be relevant to the general objects of the inquiry."

The Commission reported in June 1962.

The central theme of the report is the need for a State Service Commission—to review on behalf of the Government in detail and in a continuing way the efficiency of the State Services and furnishing the leaderships for reform of government machinery. While recommending this agency, the Commission suggests measures to strengthen Permanent Heads of Departments. It is one of the guiding assumptions of the Commission "that there should be a

clearer contact between the State Services and outside organisation".

The Commission on the whole found the State Services well served by "loyal, incorruptible and politically neutral State servants". They were also "struck by the freedom from complacency, the willingness to adopt a critical approach and to apply new methods—tracts which are not generally thought to be typical of official thinking". The main problem facing the State Services according to the report is "the difficulty of maintaining (let alone of improving) the quality of administrative leadership and professional skill".

The important conclusions/recommendations\* of the Commission of general interest are given below:

### A. Machinery of Government

#### CABINET

(1) Responsibility for overall efficiency and economy of government administration should be accepted by the Prime Minister.

(2) In the allocation of portfolios and Ministerial offices due regard should be had to the administrative desirability of entrusting departments with related functions to one Minister.

(3) Portfolios and Ministerial offices should be allocated in such a manner that, as far as possible, each Permanent Head is responsible to only one Minister.

(4) Whenever matters affecting the overall efficiency of the State Services come before Cabinet or its committees, the opinion of the State Services Commissioner should be sought.

(5) The Cabinet Secretariat should be strengthened—so that it can take steps to ensure that on any issue coming before the Cabinet or its committees the necessary information has been collected and co-ordinated and all departments and agencies effected have been given an opportunity of expressing an opinion.

#### CONTROL AUTHORITIES

(6) The Public Service Commission should be replaced by a State Services Commission consisting of a State Services Commissioner and two or more Deputy Commissioners (some of whom could with advantage be drawn from outside the State Services and from technical or professional backgrounds) to be appointed by the Governor-General and the Commissioner for an indefinite term and each deputy for a stated term.

(7) The State Services Commission should have wider responsibilities, viz., (a) A responsibility in the State Services Commissioner to act as the chief adviser to the Government on all matters bearing on the overall efficiency and economy of the State Services; and (b) A responsibility in the Commission for reviewing and reporting to the Prime Minister on general administrative efficiency and economy in the State Services including the Post Office, the Railways Department, the Legislative Department, and such Government agencies as it is directed to investigate.

(8) The State Services Commission should be constituted as a Department of State responsible to the Prime Minister, but that as the

\*The Commission's conclusions/recommendations regarding its second term of reference, viz., "major functions that should be redistributed among Departments and Government agencies etc." have been completely omitted from this digest because they would be of interest to those who are familiar with the structure of the New Zealand Government.

employing authority for the Public Service it should be given statutory independence in matters relating to individual officers, such as appointments, promotions (except those to permanent head positions), transfers, grading, classification and discipline.

(9) Committees consisting of senior State servants and leading citizens who are not State servants be used whenever possible to advise the Commission on such matters as allocation of functions, co-ordination among departments and other referred to it by the Government.

(10) Consideration should be given to further delegation of financial authority to Ministers and Permanent Heads.

(11) The ability of departments to exercise adequate control of financial expenditure should be fostered and improved.

(12) Every effort should be made by the Treasury and by departments to develop and extend the techniques of programming expenditure on the basis of surveys or forecasts both of the anticipated needs for such expenditure, and of the prospective resources.

(13) Consideration should be given to providing for post-expenditure review of the financial operations of departments by a Select Committee of Parliament, to strengthen Parliament's control of finance and to ensure higher standards of financial responsibility in departments.

(14) The State Services Commission should ensure that controls imposed in respect of State works are not operated to the detriment of efficiency in the State Services.

#### THE DEPARTMENTS OF STATE

(15) The responsible character of the role of Permanent Heads in the machinery of government should

be reinforced by:

(a) Repealing regulation 31 of the Public Service Regulations, 1950 and replacing it by a statutory provision stating that a Permanent Head's responsibility for the efficiency and economy of his department shall be to his Minister and, at the same time, imposing an obligation on all Permanent Heads to supply such reports and information as the State Services Commission may require and to make their departments constantly available for inspection by the Commission.

(b) Delegating to Permanent Heads greater authority in matters which come within the scope of control departments thereby matching responsibility with authority.

(c) Establishing systems of control which enable the control departments to rely on periodic checks, thereby encouraging initiative within departments.

(16) Along with this increased authority, Permanent Heads should accept a more lively personal responsibility for efficiency, and, in the event of their failing to measure up to the requirements of their position be transferred to other duties.

(17) Permanent Heads should regularly review the operations and functions of their departments and supply reports to the State Services Commission to aid its continual review of the machinery of government.

(18) (a) While State corporations may be appropriate in some circumstances, there is no general presumption in favour of that type of organisation; (b) that the degree of freedom enjoyed in practice by corporations may not be as great as is sometimes assumed; (c) that

in deciding whether to establish a corporation rather than a department, proper weight must nevertheless be given to any consequent weakening of political and administrative controls; and (d) in the event that a corporation is preferred, the degree of freedom granted it, particularly in determining salaries, also requires careful consideration.

#### B. Methods for Improving Efficiency

(19) Employing authorities and Permanent Heads should place increased emphasis on the selection and training of leaders and on reviewing the quality of leadership throughout the State Services.

(20) The responsibility for staff establishments in the Public Service should be entrusted to the State Services Commission.

(21) The State Services Commission should pay special attention to the control of technical establishments but place greater reliance on Permanent Heads' control of clerical establishments.

(22) Greater attention should be paid to the inspection of technical activities, and departments be required to send their technical inspection reports to the State Services Commission.

(23) The State Services Commission should regard the promotion of management services as one of its main activities, and in particular:

- (a) Ensure that adequate numbers of capable officers are engaged in this work.
- (b) Pay special attention to developing the techniques of

work study, statistical analysis, and operational research.

(24) The State Services Commission should ensure that a vigorous policy of decentralisation and delegation is pursued in departments, and itself give a strong lead.

(25) A positive approach to public relations should be encouraged, to keep the public informed and to raise the prestige of the State Services.

#### C. Personnel Policies

##### CLASSIFICATION AND GRADING

(26) The Public Service should be classified into occupational classes.

(27) The present system of common grading scales in the Public Service should be abandoned, and salary ranges, grades, incremental patterns, and other conditions of service be determined according to the particular needs of the individual occupational classes.

(28) An Administrative Class should be formed in the Public Service, recruitment to which should normally be from other occupational\* classes of the service.

(29) The present five-yearly mandatory regrading should be abandoned and in its place the State Services Commission and other employing authorities be given the responsibility of ensuring under a system of continual review that the scales of wages and salaries, and the grading of officers and positions, are maintained properly and equitably.

\*The Commission was forced to the conclusion: "contrary to some overseas precedents, direct recruitment of an administrative elite is not practicable in New Zealand. The country's historical development, manifest in the tradition of recruitment from below, precludes this". It was further impressed "by the fact that able New Zealand administrators had been drawn from many different vocations, and have very different educational backgrounds". It preferred therefore to strengthen the quality of recruits to the occupational classes and recommended that such of them as have administrative potential should be quickly distinguished and given training and experience which will fit them for later admission to the Administrative Class, if they so desire.



## RECRUITMENT AND RETENTION

(30) The State Services Commission should be given general responsibility for supervising recruitment, and for undertaking the research necessary to increase the effectiveness of programmes for the recruitment and selection of staff.

(31) Authority to conduct programmes for the recruitment and selection of staff should be delegated where possible to departments.

(32) Consideration should be given to the introduction of monetary awards for long service in occupational classes in which promotion prospects are necessarily poor, in which it is impracticable to introduce a merit grade, and in which the costs of the awards needed to retain existing staff are exceeded by the costs of recruiting and training new staff to replace them.

## TRAINING

(33) The scope of supervisory training should be considerably enlarged, and a new selection, testing, and training programme be devised to develop those officers who are potentially suitable for high administrative posts.

(34) The proper importance of training should be stressed:

- (a) By arranging that a Deputy State Services Commissioner give training his particular attention.
- (b) By giving the Training Branch of the State Services Commission sufficient status, permanent training staff, and resources to enable it to undertake greater responsibilities.
- (c) By requiring Permanent Heads to discharge their responsibility for training within their departments.

(35) A State Services Staff College should be established for the main purpose of training officers for higher administrative posts.

## PROMOTION

(36) Merit should be accepted and established by all employing authorities in the State Services as the only criterion for promotion.

(37) All employing authorities of the State Services should assess merit for promotion and merit be specifically and clearly defined in the empowering legislation of those authorities.

(38) Seniority as a factor in promotion should be eliminated from the statutes and administrative procedures of the employing authorities of the State Services.

(39) The State Services Commission should delegate to departments power to make promotions and award increases in salary to the levels prescribed.

(40) Promotion boards should be set up in all departments under the aegis of the State Services Commission.

## DISCIPLINE

(41) The State Services Commission should consider from time to time the advisability of delegating to specified Permanent Heads within the Public Service (a) power to impose limited penalties in respect of major offences, (b) power to annul the appointment of probationers or to extend their probationary periods, and (c) power to terminate the services of temporary employees.

(42) Subject to approval by the Government each of the three State Service employing authorities should adopt a retirement policy which:

- (a) Is flexible, that is, distinguishes between the point

at which officers become eligible to retire and the point at which they are generally obliged to retire.

- (b) Defines those points in terms of age, regardless of length of service.
- (c) Fixes those points at normally not less than 60 for eligibility nor more than 65 for compulsory retirement.
- (d) Recognises that different compulsory retirement points (between the limits of 60 and 65) may be appropriate to different occupational classes.
- (e) Sets common points of eligibility and compulsory retirement for similar occupational classes throughout the State Services.

(43) Each State Service employing authority should retain the power to retire any officer (giving him reasonable notice) at any time after he reaches the point of eligibility.

(44) Each State Service employing authority should so exercise its discretion, in administering the flexible policy proposed above as to assist those officers who are fully efficient and willing to do so to continue in the Service until they reach the age of compulsory retirement, except in cases when departmental reorganisation or contraction, or the needs of the promotion system, justify earlier retirement.

#### **D. Wage Fixing**

(45) Wage and salary rates in the State Services should be fixed wherever possible according to the principle of fair relativity with the current remuneration of those doing broadly comparable work in outside employment.

(46) Where no proper comparison with broadly comparable work in outside employment is possible, those wage and salary rates be fixed by comparison with such other group or groups within the State Services as may be deemed appropriate.

(47) A Pay Research Unit be established in the Department of Statistics to conduct surveys designed to provide factual information on the salaries or wages and other conditions of service available in outside employment which is comparable with State Service employment, such information to be freely available both to the employing authorities and the staff associations of the State Services.

(48) Until such time as outside comparisons can be made for each occupational class often enough to eliminate the need for interim adjustments, such adjustments should continue to be based on ruling rates surveys.

(49) Ruling rates surveys be conducted at regular six-monthly intervals, in which case the legislation requiring any Tribunal to apply general wage orders of the Arbitration Court to State servants should be repealed.

(50) A State Services Tribunal be established, to consist of a chairman (who shall be agreed upon by the State Services Co-ordinating Committee and the Combined State Service Organisations or, in default of agreement, shall be appointed by the Government) together with one member chosen by the Government and one by the Combined State Service Organisations, to determine disputes concerning salaries or wages and other conditions of service which directly affect more than one State Service.

*U.K., REPORT OF THE COMMITTEE ON SECURITY PROCEDURES IN THE PUBLIC SERVICE*, London, H.M.S.O., 1962, 42p.

Her Majesty's Government appointed an independent committee on 11th May, 1961 to review security procedures and practices in the public service, with the Right Hon. the Lord Radcliffe as Chairman. The Committee's terms of reference were: "In the light of recent convictions for offences under the Official Secrets Acts, to review the security procedures and practices currently followed in the public service and to consider what, if any, changes are required."

The Prime Minister also asked the Committee to examine the 'D' Notice system, both generally and with particular reference to a Notice dated 27th July, 1961.

In their report presented to Parliament in April 1962, the Committee have made several recommendations/observations concerning the organisation for security, the security classification, the personnel security and the public service, the security procedure and practices in the Foreign service, the Service Department and the Armed Forces, the security in industry, the physical and documentary security and security training and a special security procedure called the 'D' Notice procedure.

The Committee have, on the basis of the evidence placed before them, expressed the view that "much the most serious source of danger (to security) lies in the intelligence services of the Soviet bloc, which there is reason to suppose are co-ordinated as between the various countries taking part". The Committee have discounted the view earlier held by the Conference of Privy Councillors in 1956 that "one of the chief problems of security was to identify the members of the British Communist Party, to be in-

formed of its activities and to identify that wider body of those who are both sympathetic to Communism or susceptible to Communist pressure". The Committee believe that the central threat lies farther back than the British Communist Party.

The overall impression of the Committee is that "while there are certain respects in which improvements are still possible, the quality of the security organisation and procedures and the general standard of security discipline is good". But the Committee have also noted that there was "no uniform level of active concern for security"; even within those departments which are regularly handling highly secret information, "the attention to security seemed to have been low and the subject itself treated as one which in practice ranked lower in importance than most others".

The more important of the specific observations/recommendations of the Committee are given below:

#### ORGANISATION FOR SECURITY

(a) Each Department should remain responsible for maintaining a proper standard of security, advised as necessary by the Security Service.

(b) If the Director-General of the Security Service finds himself in disagreement with the Permanent Head of a Department on the need for a security inspection and the matter cannot be resolved in discussion, the question should be referred to the Joint Permanent Secretary of the Treasury as Head of the Civil Service.

(c) The inter-departmental committee responsible for co-ordinating advice on security policy should be more directly associated with

developments in the security field. To this end: (i) it should receive a six-monthly review of current security matters from the Security Service; (ii) its junior committees should each report twice a year on their activities; (iii) it should formally approve future editions of the standing instructions on security in Government Departments.

(d) Each Department should issue a set of security instructions, which should be clear and concise and mandatory in form.

(e) Each Department should have a security organisation with a clear allocation of responsibility for physical and personnel security. These questions should normally come together in the hands of the Principal Establishment Officer.

(f) The organisation of security in outstations should reflect the following principles: (i) primary responsibility for security should lie with the Head of the station; (ii) an officer should be nominated as Security Officer, with direct responsibility to the Head of the station, but with the right to communicate direct with the Headquarters on technical security questions; (iii) the security arrangements at outstations should be inspected by the Headquarters from time to time.

(g) Permanent Secretaries and other senior officers should make it their personal responsibility to ensure that each Department has an effective security organisation and that the staff are alive to the need for security precautions.

(h) Departments should have the right in respect of establishments or staff employed on secret work to deny access to or to refuse to negotiate with trade union officials whom they had reason to believe were Communists. This would require a formal challenge, in each case, with a right of appeal to the Three Advisers.

(i) Heads of Departments and Principal Establishment Officers should be given fuller information on the scale of Communist penetration of the Civil Service unions and Civil Servants who take part in staff negotiations should also be given a warning in general terms.

### Security Classification

(a) Each Department should amplify the standard definitions of Security documents by examples drawn from its own field of activity.

(b) Consideration should be given to limiting authority to apply the higher security classifications; or alternatively to providing that such classifications are to be regarded as provisional until confirmed by an officer above a certain rank.

(c) Consideration should be given to extending to other fields the technique of the committee which determines the security gradings to be applied to classified information of a technical nature.

### PERSONNEL SECURITY IN THE PUBLIC SERVICE: THE PURGE PROCEDURE AND POSITIVE VETTING

(a) Departments should do their best to resolve one way or another cases of suspected Communist associations or sympathies which have not been submitted to the purge procedure. This involves candid disclosure to Departments by the Security Service of its information, careful assessment of this information by the Department, more frequent resort to the purge procedure, and readiness by Departments which have non-secret posts available to accept on transfer Communist associates and sympathisers.

(b) Adequate arrangements should be provided, under the auspices of the Treasury, for the transfer from sensitive to non-sensitive

Departments, where necessary, of person who cannot be cleared on Positive Vetting\* but are not inefficient or in breach of accepted standards of discipline.

(c) If an officer is refused Positive Vetting clearance on grounds of character defect alone and his career will be adversely affected thereby he should as a general rule be informed of the fact and allowed to bring the matter up before the Head of his Department if he wishes.

(d) The Government should explain more clearly the implications of Positive Vetting; and this should be reflected in prospectuses, etc., issued by the Civil Service Commission. Thereafter the standing instructions on personnel security should be revised.

(e) Investigating Officers should be under standing instructions to satisfy themselves of the *bonafides* of character referees.

(f) Any Positive Vetting case under 21 should be reviewed annually until that age is reached. Above that age each Positive Vetting case should be reviewed every five years or earlier if there is a marked change of circumstances.

(g) Departmental arrangements should be such that any information received about an officer which may reflect on his security is seen by the personnel security authorities.

(h) A man who has been held captive or interned for any substantial period in Communist hands should only in exceptional circumstances

be employed or re-employed in a post subject to Positive Vetting.

### The Foreign Service, The Service Departments and the Armed Forces

(a) Departments (for example, the Service Departments) which attach staff to diplomatic missions should take particular care in the selection of such staff at all levels and should limit the length of tours of duty.

(b) All three Services should follow current Civil Service practice in their field investigations; the necessary enquiries should be undertaken by a single team of civilian Investigating Officers working for all three Services.

### Security in Industry

(a) Government contractors engaged on classified work should issue clear instructions to their employees on the security rules to be observed and should maintain an adequate security organisation. A member of the Board of Directors should normally be nominated as generally responsible for security matters. Contracting Departments should treat any substantial lapse in security by a contractor as a serious matter.

(b) Contracting Departments must issue clear, detailed and prompt instructions defining the security aspects of every classified contract.

(c) The team of Security Advisers should be strengthened.

\*The Positive Vetting process consists of the following stages:

- (i) a check with the Security Service, to ascertain whether intelligence records contain any adverse information about the individual in question (which in practice means traces of Communist association or sympathies or of other forms of subversive activity);
- (ii) completion by the subject of a standard security questionnaire (in which he is asked, *inter alia*, whether he has or has ever had any connection or sympathies with Communist or Fascist Organisation);
- (iii) letters to two referees named by the subject asking for information bearing on his reliability and character;
- (iv) a field investigation into his character and circumstances.—*Edited.*

# Physical and Documentary Security and Security Training

(a) The 'need to know' principle "under which classified information should be disseminated no wider than is required for the efficient discharge of the business in hand" must be strictly observed. The technique of formal indoctrination is the most effective model for this purpose.

(b) In planning accommodation, attention should be paid to the security value of staff sharing rooms and of intercommunication between adjoining rooms by doors, windows, etc.

(c) Staff leaving late or entering a Government establishment at unusual hours should be required to sign in and out in a book subject to regular inspection by the Security Officer.

(d) The technical training of security staff should be regarded as the responsibility of the Security Service whose complement should be increased for the purpose.

## 'D' Notice Procedure

(a) When queries arise in respect of copy that is the subject of a 'D' Notice, there must be a service on the Government side that will provide a prompt and authoritative answer. Such an answer may be given by the Department concerned direct or by or through the Secretary to the Committee; but from the Press side there are advantages in

expecting the query to be handled by the Secretary.

(b) The agreement on the Press side to receive and respect 'D' Notices is contingent upon the subject matter being confined to "naval, military and air matters the publication of which would be prejudicial to the national interest". This formula is not strictly insisted upon: but any attempt to go outside it is liable to be regarded with suspicion and should only be resorted to, therefore, on special occasions when the subject is one of grave and obvious importance. There is always likely to be resentment if a Notice is thought to have been dictated by 'political' considerations, or if it is thought that the official side is trying unreasonably to suppress the matter which is already public knowledge abroad.

(c) It is particularly desirable that no news in the possession of a newspaper should be held up on a Departmental request or under Departmental pressure in the name of security when there is reason to suppose that the real motive of the request or pressure is the convenience of the Department or its political chief. Complaints of such incidents recur from time to time. They are a standing grievance with the Press and they do more than any other single thing to prejudice the system of voluntary co-operation in the withholding of news which is represented by the 'D' Notices.

*GOVERNMENT OF MYSORE, REPORT OF THE SCHEDULED CASTES AND SCHEDULED TRIBES APPOINTMENTS COMMITTEE, Bangalore, 1962.*

The Government of Mysore appointed a committee on July 6, 1960,

\* A 'D' Notice is a formal letter of request which is circulated confidentially to newspaper editors, to editors of news in sound broadcasting and television stations and to editors of some periodicals concerned with defence information. It is issued upon the authority of a Committee known as the Services, Press and Broadcasting Committee, composed partly of Government officials and partly of representatives of various Press and radio organisations. No one except the Committee can issue a 'D' Notice and no one can require it to do so,—*Edited.*

with *Shri B. Beerappa* as Chairman, to investigate into the causes of low representation of these communities and to suggest ways and means of ensuring fair representation for these in the services of the State.

The terms of reference to the committee were:

- (i) to examine the actual percentage of representation of persons belonging to the Scheduled Castes and Scheduled Tribes in the services of the State;
- (ii) to examine the causes of inadequate representation of persons belonging to the Scheduled Castes and Scheduled Tribes and the difficulties met in securing qualified candidates in adequate numbers for recruitment into public services;
- (iii) to recommend measures to overcome difficulties in the recruitment of Scheduled Castes and Scheduled Tribes candidates and to improve the percentage of their representation in the services; and
- (iv) to suggest a feasible system of periodical review of the recruitment of Scheduled Castes and Scheduled Tribes candidates in the different departments and in Government industrial concerns.

The Committee submitted its report to the Government of Mysore in 1962. Important conclusions/recommendations of the Committee are given below:

#### **Actual Representation**

The representation of Scheduled Castes in Government Departments was only about half of the percentage reserved for them. In the case of Scheduled Tribes, it was not even one

per cent. Departments where technical qualification was generally required representation for these sections was grossly inadequate. The reasons for this inadequacy was that for various reasons students belonging to these sections had not taken to technical education. Representation in semi-Government and quasi-Government organisations was further less.

#### **Causes for Inadequate Representation**

(i) The literacy percentage of the Scheduled Castes is only 4.6 per cent and that of the Scheduled Tribes 0.2 per cent. It may take time for them to be able to produce adequate number of candidates with different qualifications to qualify for entry into different fields of administration.

(ii) The Scheduled Castes mostly live in rural areas, are ignorant and poor.

(iii) Minor causes for inadequate representation also exist such as:

(a) The steps taken by the appointing authorities to fill up the reserved vacancies are not adequate. In many cases, the publicity given is not wide enough. The sources are not fully explored before the reserved vacancies are treated as unreserved. On account of defaults on the part of appointing authorities sometimes the reserved vacancies are filled by other candidates. Sometimes the recruitment rules are misunderstood or misinterpreted to the disadvantage of the Scheduled Castes and Scheduled Tribes candidates.

(b) The practice on the part of some Departments of sending piecemeal requisitions to the appointing authorities

or the Public Service Commission has also contributed in some measure to the failure of the reservation rules.

- (c) The failure on the part of appointing authorities in respect of Class III and IV posts in applying the reservation orders correctly has also contributed in preventing the Scheduled Castes and Scheduled Tribes candidates from entering into public services in adequate numbers.
- (d) It is common experience of the appointing authorities and Public Service Commission that the response they receive is somewhat satisfactory from candidates from these communities for only certain types of posts.
- (e) In some cases, it is found that even those who possess qualifications and who send their applications do not appear for the interview and even if they appear they do not take up the jobs offered to them.
- (f) Instances also exist of cases where applications have been rejected for minor irregularities.
- (g) Instances are also not lacking to show that the additional qualification prescribed stand in the way of candidates from these communities in securing the posts.
- (h) On account of poverty, some candidates are not able to undertake long journeys.

## Measures to Improve Representation

### *Educational Facilities*

(i) The educational level of these communities has to be raised by making special efforts. The education should relate to the public

service requirements and adequate guidance should be available to these people at different stages of education in the matter of selecting courses suitable for their aptitudes and to the available employment opportunities. The children of the Scheduled Castes and Scheduled Tribes should be attracted to the educational institutions even at the pre-school age period by establishing nurseries and at school-age period by establishing ashram schools.

(ii) Twenty-five per cent of the seats in Government and Government-aided hostels be reserved to the members of the Scheduled Castes and Tribes. Hostel facilities should be provided to all the deserving students of these Castes at the High School and higher stages of studies.

(iii) The Director of National Employment Service be requested to organise special classes, courses, meetings, etc., for the benefit of Scheduled Castes and Scheduled Tribes in collaboration with the Director of Social Welfare and Director of Public Instructions for providing vocational guidance.

(iv) The Director of Social Welfare be directed to undertake a survey with a view to formulating a scheme for providing technical training for Scheduled Castes and Scheduled Tribes candidates in consultation with the Director of Technical Education and the Director of Industries and Commerce, and Director of National Employment Service.

### *Reservation*

(v) The vacancies available for Scheduled Castes and Scheduled Tribes should be made known by adequate and wide publicity. The private organisations engaged in the welfare of these castes should also be associated in the publicity of this information. No reserved vacancy should be declared unreserved until every source is explored for getting suitable candidates.



(vi) There may also be need to raise the percentage of reservation for a specific period in respect of certain cadres and classes of posts consistent with the need the situation warrants.

(vii) The local bodies, industrial concerns and autonomous organisations under the Government be directed to apply the reservation orders with immediate effect and strictly.

(viii) In any cycle of appointments to be prescribed, the reservation for the Scheduled Castes and Tribes may be indicated first.

(ix) For a period of 10 years, the percentage of reservation for Class I posts be raised to 25 per cent; for Class II posts to 30 per cent; for Class III posts to 40 per cent; and for Class IV posts to 50 per cent.

(x) Suitable procedure may be devised to scrutinise the appointments made by different appointing authorities to find out whether the reservation orders have been strictly complied with. It may be necessary to obtain and scrutinise quarterly and annual returns.

(xi) Reservation orders be made applicable to promotional vacancies also.

(xii) Reservation orders should be applied to groups of Class I and Class II posts of different departments carrying similar pay, status, etc.

### *Recruitment and Training*

(xiii) Assistance for preparing for competitive examinations and for appearing for interviews should be provided for candidates from these communities.

(xiv) Efforts should be made to set right the minor irregularities in the applications from candidates

belonging to these communities before they are rejected.

(xv) *Ad hoc* recruitment should be done for Departments and Cadres where the representation for these communities is very low or nil or under the existing rules there was very little chance of improving the percentage of reservation.

(xvi) The age limit for Scheduled Castes and Scheduled Tribes candidates for direct recruitment be raised to 33 years and for recruitment of in-service personnel of these people be raised to 40 years.

(xvii) The Cadre and Recruitment Rules be re-examined with a view to providing better chances for these to enter into services and cadres where at present representation for Scheduled Castes and Scheduled Tribes is inadequate.

(xviii) Preference should be shown to officers belonging to these castes while recommending for specialised training in India or abroad in different fields of administration and under different programmes.

### *Concessions*

(xix) Suitable orders may be passed to reimburse the travelling expenses to deserving Scheduled Castes and Scheduled Tribes candidates when they go for interview before the Public Service Commission or any other Selection Committee.

(xx) No application fee be levied from Scheduled Castes and Scheduled Tribes candidates while applying for Government appointments.

(xxi) The Director of Social Welfare may be directed to conduct a survey of the employment position of Scheduled Castes and Tribes and make suitable recommendations to Government.

## BOOK REVIEWS

*INDIAN PUBLIC FINANCES*; By R. N. BHARGAVA, London, George Allen & Unwin Ltd., 1962, 263p., Rs. 30.

The book under review is virtually a supplement to Dr. Bhargava's earlier and well-known work published in 1956. It brings together in a handy volume developments in the various aspects of Union and State finances during the Second Plan period. The author has heavily drawn on individual pieces of financial legislation, published reports, budget papers, and plan documents for the facts (and even arguments) marshalled in the individual chapters on federal finance, Union taxation, State taxation, loans, external assistance, deficit financing, State enterprises, public expenditure, plan outlay and its financing. Apart from suggestions on specific points thrown in here and there in the various chapters, the positive contribution of the book lies in the scheme for raising additional resources outlined in the chapter on Future Growth of Revenue (Chapter VII). The book will be found useful by university students or general readers interested in Government finances to whom the original sources of material contained in this volume are either not readily accessible or too scattered to give a connected account. The same, however, cannot be said of the trained economists, advanced research workers or makers of budgetary and fiscal policies, who will be disappointed if they open the book in the hope of finding answers, fresh thinking and new line of approach to the contemporary questions of fiscal planning.

The book begins with a brief reference to the increased importance of fiscal policy, which is attributed to the advent of Keynes'

General Theory and development of social accounting or more appropriately, national budgeting. Fiscal policy, as is well known, had won a prominent position in the armoury of public authorities much earlier when Government budget was used as an instrument of 'pump-priming'. The *modus operandi* of fiscal correctives was undoubtedly understood differently. The 'deficit' planned in the Government budget was, basically a monetary concept and supposed to counter deflationary trends in the economy *via* its impact of money supply, prices and interest rates. What the Keynesian revolution of the later thirties and the evolution of national budgeting in the forties did was to transform the budget into an instrument of 'compensatory action' by public authorities and give a new content and meaning to fiscal operations. The deficit in the Government budget began to be planned to counter the reverse position anticipated in the budgets of other sectors in the system of national budgeting and became a more effective and quantitative basis of fiscal operations designed to maintain balance during a given accounting period between aggregate demand and supply of goods and services at prices prevailing at the beginning of the period. This income deficit, as it is called, is measured by the excess of the net investment over net savings by public authorities. If not matched by an equal size of *planned* deficit in the current account of balance of payments and/or excess savings in other sectors of the domestic economy, it leads to upward pressure on prices

and/or further deficit in balance of payments. 'Forced' saving at home and/or unplanned deficit in balance of payments generated in the process becomes instrumental in striking an *ex post* balance in aggregate supply and demand of goods and services. Fiscal policy is in modern times designed to prevent such unplanned adjustments and attain a planned balance between aggregate demand and supply, and at a progressively rising level of income and employment in a developing economy. This income deficit is conceptually different from the earlier one representing net expansionary impact of budgetary operations of public authorities on money supply. If not offset by an equal increase in demand for money, say, due to higher production, shift from barter to money transaction, it forces rise in prices, fall in interest rates and/or decline in foreign exchange reserves in order to restore *ex post* balance between demand and supply of money and thereby secure equilibrium in the system. The distinction between the two concepts is important and should have been brought out for the sake of conceptual clarity, particularly when the earlier concept is even now popular in several countries including India.

While the development referred to above has been indeed valuable and given confidence to public authorities to deal with economic maladies more effectively, there has been in the fifties yet another development to which the author should have devoted some place in the Introductory Chapter. It is now increasingly recognised that the realisation of desired economic objectives may be hindered by imbalances in demand and supply of financial claims in the various sectors of domestic economy. To deal with these compensatory action on the part of public authorities would

also be needed in the field of transactions in financial claims, which a pure social accounting approach assumed away. It is the latter which is responsible for what is now technically known as flow of funds analysis which quantifies inter-sectoral flow of funds or changes in financial assets and liabilities. This analysis has given a new significance to Government's borrowing and lending operations, debt management, etc. It is the advent of this technique which has lent support to the revival of monetary policy and to the more effective integration of fiscal and monetary policy.

The chapter closes with an analysis of the basic problem of the Indian economy, the task to be achieved and the line of action needed for it. Fiscal policy in conjunction with other policies has to aim at the realisation of rapid development under conditions of relative stability. This implies rapid increase in national income, progressive reduction in unemployment and under-employment, rapid increase in domestic saving, stability of prices and provision of social and economic justice. The tax-expenditure schemes in the Government budgets have undoubtedly to be so designed as to promote these objectives. Would it not have been in order for the author to offer an assessment whether the tax-expenditure schemes devised by the Governments have or have not been well-conceived from this point of view? If not, what have been their deficiencies and how could they be remedied? The author has devoted a separate chapter to taxation policy where one could expect a discussion on this line. But it does not go beyond stating commonplace arguments and ends up with an endorsement of the new tax structure as it has evolved in India during the period, with a few suggestions here and there and in

many cases not backed by adequate reasoning or factual support. One hardly finds in this chapter any critical assessment of taxation policy as now followed or any indication of the direction in which it needs to be amended or improved. The chapter on Union Taxation turns out to be a mere *resume* of recent legislations and hardly offers any critical appraisal of these laws and that on State taxation does not go beyond giving a descriptive account of what is already well-known. The same is true of the discussions on loans, deficit financing, external assistance, plan outlay, plan financing and federal finance. The chapter on State Enterprises is in fact the weakest and does not attempt any analysis of either the profitability of undertakings that have gone into operation or any assessment of their capacity to yield the stipulated surplus for the Third Five Year Plan. The difficult issue of running some of the undertakings on 'no profit no loss' basis or even on a subsidy from Government has not at all been discussed.

His proposal for a Loan Council to be set up on the Australian model is again not based on any analytical account of the functioning of the Council in Australia or of the inadequacy of debt management in India under the aegis of the Reserve Bank. He points out that the States would have greater independence in drawing up their borrowing programmes under a Loan Council than now when they are subject to the decision of the Union Government but he has not pointed out even a single instance where Union Government has so far interfered with the States' borrowing programmes drawn in consultation with the Reserve Bank in support of his view. One should have expected from the author a more detailed analysis of market borrowing of Rs. 800 crores by

the Union and the State Governments during the Second Plan. Had he taken into account the Reserve Bank's support and State Bank's purchase of Government securities out of PL 480 funds, he would have noticed that net borrowing by the Union and State Governments from the public was very much lower. The figure set out without any reservation or qualification gives an exaggerated picture of the success of market borrowing during the Second Plan and a misleading background to the amount expected to be raised under the Third Plan under this head.

The chapter on Public Expenditure recognises its role in promoting development but does not offer any analysis of the extent to which it has succeeded in doing so. No attempt has been made to study even the trends in income generation or capital formation resulting from government expenditures during the period, for which fairly firm data are available. There are references in the chapter to physical indicators of progress in certain fields of governmental activity, education, medical, community development, irrigation, power and transport but here too the data set forth have not been analysed with reference to Plan targets or in relation to outlay incurred. In the discussions on the existing classification of Government accounts, surprisingly one finds no reference to the separate exhibition of Plan outlays and the recent changes introduced to render the system of classification more articulate and meaningful. On the new technique programme budgeting and performance accounting, to which the author has devoted a separate section, the point to be emphasised is that the core of this technique lies not in programming as such nor in the system of classification but in the link between physical tasks or

achievements and the outlay planned or incurred. The technique has an operational value which is derived from the scheduling of physical tasks in terms of end-products and by cost centres, their scientific costing and the pairing of the physical and the financial side of programme formulation and programme implementation. It shifts emphasis from spending to returns, speed and costs of implementing the task by each agency. The technique, as such, has to be installed at the appropriate agency level with proper system of communication and reporting as between different layers of management. The programme budget and performance accounts of each agency will naturally have to be sufficiently detailed, but this will necessarily get simplified in the process of summation and consolidation involved in the budgeting and accounting at progressively higher levels of management. What will finally emerge in the Government budget or accounts will only be more meaningful and broad totals of budgeted and actual outlays and the corresponding physical targets and achievements stated in measurable units. Dr. Bhargava has very ably discussed the difficulties in the adoption of the new technique and rightly emphasised the note of caution needed in interpreting 'unit cost' and using it for decision-making. Following, however, the recommendations of the Estimates Committee and the Second Workshop on Budget Classification and Management held in Bangkok in 1957, he also favours introduction of programme budgeting and performance accounting on a selective basis. This is hardly an advance. The book gives no assistance to the choice of the area of Government activity, the appropriate agency level and the format of accounting, reporting and budgeting. In short, it throws no light on how one should proceed to implement

the recommendation. This happens because the technique is discussed only in general terms. No attempt has been made to delve deeper into the methods of budgeting, budget execution, accounting and reporting at the various levels, to trace the extent to which elements of the new technique are already there and to indicate the manner in which they could be refined, further improved and made more explicit. There is no reference even to the progress made in this direction in recent years and under the impact of the Plans.

The scheme suggested by the author for raising additional resources is as follows:

	In crores of rupees annually
1. Compulsory savings	60-79
2. Direct Union taxes mostly through tax evasion	50-75
3. Additional taxation of the agriculturist	100-125
4. Customs	60-80
5. Sales-tax	50
6. Union excise duties	250
7. Surplus of public enter- prises	100
	<hr/> 670-760 <hr/>

Besides, the State Governments could raise, according to him, additional Rs. 15-20 crores per annum through other taxes. This additional revenue plus the normal increase in revenue from the existing taxes will, as he works out, amount to 20 to 25 per cent of additional income generated by 1965-66.

The additional revenue of Rs. 670-760 crores is expected by the author to be reached by the end of the Third Plan. He has not estimated the five-year yield from the measures, nor indicated the phasing

of the measures which could enable one to calculate it. Assuming the cumulative total of yield from all the measures to be Rs. 750 crores in 1965-66, additional taxation per year would have to be of the order of Rs. 150 crores. This will bring during the five-year period additional revenue of Rs. 2,250 crores, as shown below:

I year	.. ..	150
II year	.. ..	300
III year	.. ..	450
IV year	.. ..	600
V year	.. ..	750
		<hr/>
	Rs.	2,250

The total would be Rs. 540 crores larger than the target of Rs. 1,710 crores set in the Third Plan. This assumes that his estimates of yield are reliable and all the measures suggested by him are practical and capable of straight implementation. The basis of estimation being not given it is difficult to judge whether the amount set by the author against the various heads could in fact be realised. The difficulty of such a scrutiny multiplies because the contents of the measures are not spelt out. On merits, however, some of the suggestions made by him are hardly tenable. The measures for compulsory saving suggested by him are : (i) extension of compulsory provident fund scheme to the employees of all State Governments; (ii) compulsory deposit of 6 per cent of assessed income of all income-tax assesseees except those contributing to provident fund an equivalent or higher amount. Such deposits of companies are to be retained by them while in other cases re-paid only on death or on the attainment of the age of 55 years or in other emergencies; (iii) extension of compulsory provident fund scheme for workers in specified industries to all employees in enterprises employing more than

ten persons. It is not clear how a compulsory deposit of 6 per cent of assessed income is different from a corresponding increase in income and corporate taxes and how is it consistent with the view expressed by the author against increase in income and corporation tax rates. The compulsory deposit to be retained by the companies would not add to available resources unless it cuts dividend distribution by an equivalent amount. Whether the author has this in mind is not evident. The scheme will obviously not apply to an organised enterprise already making contribution to recognised provident funds nor to the employees making similar contribution. The operative part of the scheme, therefore, turns out to be a proposal to set up a compulsory deposit fund for non-salary income-tax assesseees, i.e., persons with business or professional incomes, partnerships, unregistered firms, Hindu undivided family, etc., but the author does not seem to have reckoned the innumerable administrative problems involved in administering such a deposit fund. If this part of the proposal is excluded, the estimate of additional revenue will have to be appreciably watered down, since other items can hardly be expected to yield any sizable additional revenue under the prevailing circumstances. Dr. Bhargava hopes to raise another Rs. 50-55 crores per annum through checking evasion but neither the fruitful area of operation nor the effective steps to be taken are indicated.

The total yield from land revenue and agricultural income tax amounts to a little over Rs. 100 crores today. As against this, Dr. Bhargava hopes to raise by 1965-66 additional tax of Rs. 100-125 crores from the classes paying these taxes. There is no concrete set of measures suggested for raising this amount apart from

the statement that "it would be desirable to increase land revenue and agricultural income-tax and to impose betterment levy. ...These increases in levies should be on a sliding scale depending on the size of the holding". The problems underlying such a proposal have not been examined. If a stiff tax on sliding scale is imposed, there may be a considerable avoidance of such a tax under the prevailing law of inheritance where ownership could be split by mutual consent of coparceners. The author ignores the possibility of his proposal reducing even the present yield through this process. The practical and administrative difficulties against raising of irrigation rates or imposition of betterment levy are much too complex and it is apparent that it would be unsafe to put much weight on these instruments as a source of sizable additional revenue. It is also debatable if all classes of cultivators have really benefited from public expenditure and rise in agricultural prices. No positive evidence is given to show that they have, and to such an extent as to justify the proposed order of increase in land taxation.

Under sales-tax Rs. 50 crores could, according to him, be raised—Rs. 15 crores by combating evasion and the balance by other measures. No specific steps have been suggested to attain this target. The only pertinent statement is that excise duties should be substituted

for sales-tax. Would it not imply further loss of fiscal independence of the States to which he draws attention in his discussion on the need for uniformity in sales taxation in Chapter V? Specific items which could be touched for raising additional revenue under import duties and union excise duties and additional excise duties in lieu of sales-taxes are not indicated; hence, it is not possible to examine the economics of the proposals. Lastly, the author hopes that by an increase in efficiency and higher prices of their products Union Government's industrial and commercial undertakings should be able to raise a surplus of Rs. 75 crores and the State Government undertakings another Rs. 25 crores. It is not clearly stated whether this surplus represents their profits after tax or only retained profits, or retained profits *plus* depreciation provision *less* normal replacement. Further, the coverage of undertakings is not indicated. By relating the surplus to capital outlay of the Central and State Governments, which is not very meaningful, (footnote 21, p.165), he gives the impression that it covers all undertakings whether departmental like Railways or non-departmental like Hindustan Steel and whether under construction or in operation. It is thus apparent that the scheme needs yet another look and perhaps more concrete and scientific formulation by the author.

HARBANS LAL

*THE METROPOLITAN PROBLEM AND AMERICAN IDEAS*; By LUTHER HALSEY GULICK, Alfred A. Knopf, Inc., New York, 167.p.

Here are five lectures delivered at the University of Michigan in March 1961, by Dr. Luther Halsey Gulick, formerly City Administrator for the City of New York, and now Chairman of the board of the Institute of Public Administration in New York. Dr. Gulick gives a

critical analysis of the problems of present-day metropolitan Government in the U.S.A., and the underlying causes. But his remarks will produce a familiar echo all over the world. There is a sameness about the state of urban life as it has been unfolding in the several countries.

One would not like to speak of evolution or development in this context, for both connote progress. In fact, however, "we are still groping and muddling, and conditions are still getting worse, over a wide range of important aspects of our modern urban life". How true this is of most major cities!

The author considers the current American metropolitan explosion as the major domestic problem of the generation. Various considerations demand an urgent and right solution. The urban scene is vital to the needs of modern war. The urban regions are the focus of the industrial economy, the brain and the muscle of the nation, the source of national power. Their revival is in a sense the key to survival. It will also help to project abroad a more correct image of America, for Dr. Gulick thinks, "the gap between our dreams and beliefs on the one hand and our performance, on the other...in and around our great cities" tends to reduce the influence of American ideas and ideals elsewhere. Above all, it is in the cities, with their tremendous concentration of population, that the sparks of spiritual, intellectual and political freedom may, under more favourable conditions, help to kindle man's next great advance in progress.

Dr. Gulick traces most of the problems of American urban life to the traditional *laissez faire* approach of free-enterprise capitalism. Already, the force of circumstances has evoked this traditional approach *socialism*, whether you call it that or not, has already entered the arena to fight the deficiencies in mass transportation; water supply, sewers and sewerage; regulation of building activity; the modernisation of the older and obsolete neighbourhoods; housing for the middle income and low income segments of the population; health and welfare

activities; education and cultural activity. Despite, however, the accretion of authority over these spheres to local Governments, it is clear that these institutions cannot save the situation. There is accumulating evidence of failure everywhere in spite of many heroic efforts. The reasons for this failure are three-fold.

Firstly, all the major problems of urban life spread out over an area broader than the boundaries of local Governments. Every problem is a spill-over from the next jurisdiction. "Once an indivisible problem is divided, nothing effective can be done about it".

Secondly, there is the problem of paying for the things that need doing. Most big cities are already raising all the taxes they legally can; and there is little they can afford to pay for meeting the new problems of slum clearance, urban renewal, school expansion, recreation and cultural facilities, and so on.

Thirdly, and perhaps the most important of all, is the political reason. Local Governments, one of the three fundamental extensions of the American constitutional system, evolved, in the cities, out of 'home rule rights' much fought over from 1876 to 1923. These rights, claimed as against the State Governments, another extension, guaranteed that local Government boundaries of incorporated places would not be changed without the approval of their own voters; that special State legislation would not be enacted affecting the property, affairs or Government of any municipal corporation; that local Governments would have autonomy in the matter of local taxes; and that localities could draw up their own form of government and determine its powers. But these rights were eaten away by the impact of the depression of the 1930s, and the



subsequent changes in the American economic, social and political system. Everywhere, general State legislation, especially as regards education, health, housing, mass transportation and taxation, has set the pattern for city action. The State, rather than the Municipal Constituency, makes the policy; and all of substance that is left of 'home rule' in American cities is the iron-clad protection of local Government boundaries. "The existence of a fixed and immortal boundary tends to create and sustain a fixed and immortal governmental institution." Legislatures can change the institution's duties and powers, but they cannot extinguish the institution. Therein lies the rub. Where urban problems are in fact spill-overs from neighbouring jurisdictions, the attempt to deal with them in terms of obsolete geographic limits is bound to fail. Most existing local political leadership is either opposed to a change of jurisdiction or, if it favours change, is largely 'disqualified', being outside the geographic limits within which change is needed. Some of the more powerful business and commercial interests are opposed to an extension of the urban constituency. They seem to prefer a series of ineffective and fractionised local Governments with which they have learned to get along than to see develop a new and really effective local governmental institution. State political leaders are also involved in the 'metropolitan Government' manoeuvre. But despite these oppositions, an increasingly conscious multitude of groups see the crucial importance of maintaining a more effective and efficient urban community.

Dr. Gulick asks: "What shall we do now? Granted the cities are bursting...local Governments cannot meet the situation, millions of people are dissatisfied, and our metropolitan problems go from bad

to worse. Where do we turn?" He points out that there are three kinds of failure in the big urban regions. The first shortage is a service failure, such as lack of water, inadequate sewers and drainage, rising crime, traffic congestion, spreading slums. Secondly, there is a failure to work out any comprehensive community programme for general development and for tackling major social and economic problems. Lastly, there is absent a region-wide democratic machinery for team work, for thinking about and dealing with the common problems of the metropolitan area. In this situation, it is necessary to decide what governmental 'extension' of the American constitutional system, federal, State and local, should be responsible for solving metropolitan problems. Hitherto it was thought that the answer should be local Government and attempts have been made to revamp local Governments, so that they can meet the needs of the situation. This was an error. In reality, all 'extensions' of the American Government must take a hand. No one of the partners can do it alone; and to each of the three appropriate assignments must be worked out.

From the federal Government is needed a recognition of the fact that the national Government must do something for urban populations to help solve their nation-wide metropolitan problems. Co-ordination at the top among the many federal programmes that have an impact on metropolitan affairs is necessary. President Kennedy's proposal for a new Cabinet department of urban affairs was highly appropriate and desperately called for. Of the federal Government, one expects co-ordination at the White House level, and a strong and continued commitment to the improvement of urban life. The only political leadership which can really

start the ball rolling is the President of the United States, who owes his election to the urban voters of the country.

At the State level are needed permanent new State agencies designed to serve as the focal points of State action in relation to local Governments. Each highly urbanised State should also set up a new department or office of local Government affairs; assigning to it the duty to stimulate inter-governmental co-operation, regional planning and boundary reorganisation.

Local Governments will deal with the normal run of traditional local activities. But where any of these activities or services cannot be handled effectively by the existing local Government structures, they must be reassigned in whole or in part. The inability of a local Government to handle a problem must be determined both on the technological basis (e.g., as regards water supply and sewerage for contiguous areas) and on a political basis. From these considerations, Dr. Gulick goes on to the idea of boundary change and

a new metropolitan federation. Metropolitan federated Government will take over the 'broader area-wide problems', but will keep its hand off 'strictly local problems'. In the broader, area-wide responsibilities, emphasis would be placed on planning and zoning problems, traffic and transportation, taxation, recreation and so on.

Dr. Gulick's remedies are as valid for India as for the United States. Fortunately, with the exception of certain 'difficult' areas like Delhi, the application of these remedies in our situation appears easier. National planning has had the effect of committing the several Government 'extensions' more intimately to urban development; and a time will soon come, if it has not already arrived, when the shortcomings of the urban scene will induce equal attention to its problems as to the other questions of national development. Our urban population is now nearly 100 millions and problems of urban life are already very acute.

P. R. NAYAK

*CENTRAL AUTHORITY AND REGIONAL AUTONOMY IN INDONESIA*; By J.D. LEGGE. New York, Cornell University Press, Ithaca, 1961, 291p., \$5.

Professor Legge of Monash University, Victoria, Australia, has given in his book a comprehensive and scholarly account of the various experiments in local administration made in Indonesia during the first ten years after she achieved independence. It is a book which will be found extremely valuable by all students of comparative local government.

One peculiarity of the Indonesian experiment is that a reorganised system of local government was considered to be an effective solution for the problem of regional differences, as they exist in the country, difference

of an ethnic, linguistic, social and economic character. In many other countries, such a problem was solved through the adoption of a federal system of government. The Indonesian statesmen were averse to adopting such a solution. They were all believers in a strong unitary political system. But, as Professor Legge has conclusively pointed out, the system of local government introduced after 1950 failed to allay the suspicions entertained by the outlying islands that their interests were sacrificed to those of Java which exercised political and economic domination over them. Moreover, what these outlying areas wanted

was a change in the Central Government's policies in the field of currency, trade and foreign exchange and local autonomy, however extensive in its scope, could not bring about the change they wanted. It is necessary for statesmen to know what the institutions of local government can accomplish and what they cannot, and Indonesian statesmen were wanting in this knowledge and this accounts for the failure of reforms in local government to satisfy the needs which had their source in acute regional differences.

A second objective of these reforms—and this was a more relevant one—was to introduce a better system of administration. During the long period of Dutch colonial rule, Indonesia had a bureaucratic form of government. After the acquisition of independence, she opted for democracy and it was felt that local self-government on a democratic basis would be more in consonance with the new political set-up. Consequently, all the reforms introduced from 1950 onwards were in the direction of giving a more democratic character to local authorities at all levels. Provision was made for an elected council, an elected executive body and also an elected regional head. In deliberative as well as in executive matters, power was conferred upon elected authorities as distinguished from appointed or official authorities. This was the main feature of the Law I of 1957 which brought to an end the era of experiments.

The kind of problems which the Indonesian reformers were called upon to face were more or less similar to problems which are met with in all countries in the field of local government although Professor Legge holds the opinion that they are peculiar to states emerging from colonial rule. In almost all countries, there is a conflict between

those who, as in France, are advocates of strong central control and those who, as in England and U.S.A., are for substantial local autonomy. Again, there are those who are satisfied with giving only legislative powers to elected bodies while reserving executive authority to state officials like the French Prefect. Even in regard to administrative areas and the inter-relationship between them, there is no unanimity of opinion or uniformity of practice. There are also difficulties in defining what functions are to be assigned to local authorities and in providing them with adequate finances. These are the problems which are met with everywhere and which had to be solved in Indonesia also.

It cannot be said that Indonesia solved them with greater success than other countries. The tradition of a strong civil service is deep-rooted there, and in matters of supervision officials continue to exercise a large amount of authority. Provision has been made for three levels of local government, but there is a good deal of overlapping in their functions and powers. There are very few independent sources of local revenue, and local bodies have to depend on state grants to such an extent that their autonomy becomes a mere formality. These aspects are all exhaustively dealt with by Professor Legge, though it is possible that some of his conclusions regarding the division of functions may not be accepted by all. One serious omission in his book is the subject of government at the lowest level—the government of the village, the traditional unit.

Finally, we have to notice that all this machinery of democratic local government has ceased to function today. The system of guided democracy introduced at the top by President Soekarno has resulted in the creation of appointed local

councils—both deliberative and executive—with appointed officials at their head. Indonesian local government at present is like local govern-

ment in India in the period before the introduction of Lord Ripon's reforms.

M. VENKATARANGAIYA

*THE POLICY MACHINE*; By ROBERT ELSWORTH ELDER, viii, 238p., 2 charts.

This is a commendable volume. It deals with a subject, the details of which do not appear to be very widely known in India. *The Policy Machine* is a lucid exposition of the functions of the administrative machinery that has to be set in motion in the U.S. Department of State, before subjects of international relations are duly moulded into patterns of American foreign policy. At the same time, it should be noted that the treatment of the subject is not very exhaustive. No doubt, the author, who is Professor of Political Science at Colgate University and the Director of the Colgate-Washington Study Group, admits this fact. He says that, "The very dimensions and complexity of the policy-making machinery, only a small portion of which has been singled out for description and analysis here, make it difficult to comprehend or come to grips with the full gamut of problems important to national survival" (p.215). And yet, within his limited scope, the author has performed a thoroughly useful task.

The book is in four parts: Part One deals with "The Challenge", Part Two, "Policy-Making", Part Three, "Public Opinion", and Part Four, "Is it Enough?"

In Part One, headlined "The Challenge" the author discusses "American Democracy in a Dynamic World: The Search for Survival". Here he explains the term "Policy Machine" in the language of the layman. He says that, "In a sense the policy machine is nothing more than man writ large, with both his limitations and his potentialities,

carrying within itself the frustrations, the interests, and the emotions of contemporary society" (p.3). Men like him contribute their shares to the processes of the formulation of American foreign policy. Their 'ultimate goal' is "to preserve and develop the opportunities of mankind to remain human, yet to encourage man to find in himself a new humanity" (p.3). This, *prima facie*, appears to be high optimism. In a world of hard realities, where very often negative values seem to dominate international relations, it is somewhat difficult to readily reconcile oneself with this high degree of idealism. And yet, in the land of Abraham Lincoln, Thoreau, Wilson, Franklin Roosevelt, and others, one need not be dismayed at Dr. Elder's position. No doubt, he seems to manifest his own qualms on the subject when he asks: "Can our nation (the U.S.A.) and the civilization of which it is a part, be boldly imaginative and supremely adaptive, and can it emerge from the revolutionary changes through which society must pass in the last forty years of the twentieth century as a respected and influential partner among nations?" (p.6).

In the section on "Search for Survival", the author observes that "The Department of State plays a key role in the making of foreign policy. Its mechanisms and personnel, and their relationships to the broader government-wide machinery have a great influence upon the kind of policy which America will adopt to meet the challenge of our

dynamic and confused contemporary world"; and that "the men and women within the Department of State, who give their thoughts and lives to making the policy machine operate, are conducting a continuous search for the survival of an evolving and ever-changing American way of life" (p.6). Later, in the same section, the author graphically sketches the general nature of the work that is being continuously performed in the State Department. He notes that, "On an average day, the offices of the Secretary of State and Under Secretary receive 110 telephone calls from outside the Department, 340 telephone calls from inside the Department, 60 letters on requests for action, 45 papers for information, 35 papers for decision, and 25 requests for appointments. This does not include other communications demanding attention, stemming from Cabinet meetings, National Security Council meetings, Operation Co-ordinating Board meetings, Press Conferences, requests for public appearances, foreign travel or participation in international conferences" (p.7). And all this has vastly increased quantitatively after the Second World War, "as American policy has become more positive, and American commitments to world affairs have developed breadth and permanence" (p.7). "The State Department now has 6,500 employees in Washington and New York, operates 277 posts overseas, staffed by some 6,100 American citizens and approximately 9,400 alien employees. ...On an average day, the Department receives from overseas 419 telegrams, 813 despatches, and operations memoranda. ...(It) despatches in return 1,522 communications by telegraph and diplomatic pouch. During the fiscal year of 1958, a quiet one diplomatically, 7,500,000 words a month flowed in and out through the Department's telegraph room. About 1,700 mes-

sages of 150 words average length were processed each day" (pp.8-9). Many other statistical details are furnished in this section which would forthwith indicate the vast organisational ramifications and functions of the State Department as well as the large personnel that operates it.

In Part Two, which is devoted to "Policy-Making" Dr. Elder sketches the nature of the work of the "Country Desk Officer", whom he depicts as the "Low Man on the Totem Pole". After discussing the work of the "Desk Officer" at some length, Dr. Elder concludes that "As the (American) Foreign Service type progresses from the desk to the top rungs of the policy-making ladder, (the Desk Officer) must become increasingly able to apply both practical and theoretical considerations—common sense and sophisticated concepts—in his analysis of the complex alternatives confronting American foreign policy" (p.44).

The next group of officials dealt with in pages 45-71, are the "Intelligence Analysts". The Analyst is the "Department's memory, long range weather forecaster, theoretician, and human UNIVAC all rolled into one" (p.45). It is his duty "to present background, facts and trends on geographic areas and functional topics, so that the formulation and conduct of American foreign and national security policy may rest on a realistic analysis of world conditions" (p.45).

In the section on "Policy-Planners" (pp.71-91) the author points out that "The Policy-planner backstops the Secretary of State as he takes part in the formulation of broad National Security Council policies." These very often may call for "crucial decisions" which may alter America's "basic relationship with a disturbed, dynamic world" (pp.71-72).

Part Three on "Public Opinion" is a discussion of the means and modes of contact which the State Department has with the American people. The last Part on "Is it Enough?" is the essence of Dr. Elder's research, and provides sufficiently stimulating reading. He asserts, and correctly too, that "No nation, whatever the splendour of its past, is guaranteed continued greatness. Although static thinking about dynamic problems can impair the national strength and hasten the descent from power, it is possible that no sacrifice, no adaptation to new conditions, however intelligent, will be sufficient for America to maintain its present role of international leadership" (p.153).

Dr. Elder seems to think that

this 'leadership' can be maintained if the need for "A Fourth Dimension in Policy-Making" is recognised and implemented by the establishment of a Social Research Board within the National Security Council structure." The functions and personnel of this additional agency are discussed in pages 153 to 228. Some obscurant may dismiss the plea for this new unit as an expression of Parkinson's Law. But rather than so dispose of Dr. Elder's well-reasoned proposal, one may recommend the careful perusal of the whole book, which, the reviewer has no doubt, would commend itself to all students of American Government and administration everywhere.

C. J. CHACKO

*THE GREAT ORGANIZERS*; By ERNEST DALE, New York, McGraw-Hill Book Co., Inc., 1960, xi, 277p., \$5.95.

Of the many books on Management this one is different in its approach, dealing in the main with contributions to management, by such successful managers as the Du Ponts, Sloan and Weir. The examples given in one of the appendices illustrates this approach, by listing the following executives and their contributions to the management of General Motors.

Pierre du Pont, for his major contribution in arranging re-financing of General Motors and for his judgment and ability in choosing men; Lamot du Pont, who contributed to group management and forward planning; Irene du Pont, who provided stimulus to inventions of new products; Walter S. Carpenter, who supplied thoroughness and wisdom; Donaldson Brown, who adopted price and marketing methods, and controls; John J. Raskob, who provided ideas and necessary promotion; Argus B. Echols, who contributed great financial experience;

Copeland, who contributed a brilliant financial mind, and quick decision-making; Alfred P. Sloan, who contributed to general management and sales; C. F. Kettering, for his contributions of long-range product planning and technical inventions; J. L. Pratt, who contributed technical knowledge, fairness and a strong sense of justice; C. E. Wilson, who contributed honesty and uprightness in labour and public relations.

The approach is so factual and empirical that one gains the impression of complete objectivity; so that the student of management might wonder whether, for example, Sloan owed his success in General Motors to his great organising ability, or to his close co-operation with his comrades.

Starting with a historical examination of the development of the theories of management, Professor Dale has examined the growth of such companies as Du Pont, General Motors, National Steel, and

Westinghouse, attempting to draw from these comparisons, reasons for the success of these well-known companies. In this process, he compares organisation theories, emphasising:

the group aspect of management at Du Pont, Sloan's reorganisation at General Motors, the

expansionist approach of Ernest T. Weir, the decentralisation and centralised controls at Westinghouse.

Written in a lucid style, the 'The Great Organizers' is a valuable contribution to the library of management.

J. M. SHRINAGESH

*THE DEPARTMENT OF SCIENTIFIC AND INDUSTRIAL RESEARCH*; By HARRY MELVILLE, London, Allen & Unwin, 1962, 200p., 25/-.

This publication by Sir Harry Melville is a distinct and timely contribution in the field of scientific administration. The book deals with the history and multifarious functions of the Department of Scientific and Industrial Research and it brings out clearly some of the basic guiding principles.

This book will be found very useful to the scientific administrators in the newly-developing countries. It is interesting to note how the Department of Scientific and Industrial Research in the U.K. has kept its organization flexible to cope with the changing circumstances. It has always kept in view the promotion of Scientific Research, pure or applied, ever since its inception, some 46 years ago.

It is generally accepted that the universities should be the natural home of pure research and as such the Department of Scientific and Industrial Research undertakes very little pure research in its own institutions. This is quite in contrast with the activities of similar organizations set up in the newly-developing countries. Basically, the Department assists particular research workers in colleges and universities to carry out and extend lines of research in which they have already shown personal distinction. The Department exercises no control over such assistance.

From its very inception, the advisory council, consisting of scientists with the exception of the administrative chairman, emphatically declared the need to expand the universities' output of graduates in science and of competent trained research workers. The second aim was to secure a hearty spirit of co-operation among men of science, businessmen, professional and scientific societies, universities and technical colleges and Government departments. The Department of Scientific and Industrial Research actually achieved these aims. This should be another lesson to underdeveloped countries where such co-operation has remained only on paper. It is worthwhile to note that when through the D.S.I.R. the Government took over financial responsibility for the National Physical Laboratory in 1918, the scientific direction and control was left entirely in the hands of the Royal Society.

When the U.K. atomic authority was created, the D.S.I.R. did not abrogate its responsibility for fostering research in nuclear physics as a science. It provided a number of universities with large sums of capital and running expenses for such research. Even at a time when the Government needed to strengthen its defence departments and the atomic energy establishment which effected the D.S.I.R. activities,

the Department saw to it that it did not affect grants to university institutions.

The author in discussing the D.S.I.R. research establishment such as the National Physical Laboratory, building and engineering, etc., describes in some details the management, activities and the responsibilities of the different sections. He

points out that the administration division in no way trespasses on the activities of various divisions.

It would have been advantageous to the readers if the author had also pointed out some of the difficulties, administrative and otherwise, through which the D.S.I.R. must have passed.

P. S. GILL

*ESSAYS ON THE CASE METHOD IN PUBLIC ADMINISTRATION*; By EDWIN A. BOCK (Editor), JAMES W. FESLER, HAROLD STEIN, DWIGHT WALDO, Brussels, International Institute of Administrative Sciences, 1962, viii, 119p.

This is a collection of four highly informative and thought-provoking essays about the aims, uses and techniques of case studies in public administration, as developed in the U.S.A. The first essay is by Prof. Harold Stein (Princeton University) and is based upon his "Introduction" to *Public Administration and Policy Development*—the first major volume of American case studies, published in 1952. In the second essay, Prof. Dwight Waldo (University of California) examines case studies in public administration from five perspectives—as a method of teaching, as a device for ethical enquiry and public policy, as a form of literary art, as a piece of history, and as a tool or strategy for scientific research. The third essay, contributed by Prof. James W. Fesler (Yale University), is devoted to the consideration of the relative merits and demerits of the case study and the administrative agency history for scientific enquiry in political science and public administration. In the last essay, Mr. Edwin A. Bock, Staff Director, Inter-University Case Program, New York, discusses the problem of achieving realism and scientific significance in case studies. He also touches upon the case studies undertaken in the U.K., Vietnam, Yugoslavia, Philippines and India.

The concept of a case study in public administration as developed in the U.S.A. is different from the procedural or analytical studies about an administrative problem or institution, as commonly understood in India. A public administration case is a half-way between a scientific study and a history of an administrative decision or a group of inter-related decisions. It is a reconstruction in writing, by a detached observer, of the reality of a course of administrative events in their ecological setting, in the time sequence in which they happened. The story is "narrated from the perspective of one or more of the central actors". An effort is made "to give the reader a feeling of actual participation in the action" and make him "aware of the different values of the different participants". The attempt is "to see administration whole, not in part; as it actually happens, not as seen through the spectacles of narrow and inadequate concepts". The case study method does not make a claim to supplant other methods of scientific enquiry.

The four essayists generally agree about the uses of case studies for teaching and practice of public administration. Case studies help give students a vicarious experience of the complex administrative



reality, an understanding of the relativity of administrative concepts and generalisations which cut across the different academic disciplines, and an exposure to making of "decisions on the basis of limited knowledge". Case studies can also be used as a training device to sensitise administrators to the different and complex conditioning factors affecting decision-making, to sharpen their ability to relate their immediate problems to a wider setting and to think of all the possible alternative solutions, and to deepen their insights into the relationship between public ends and means.

About the scientific purposes of case studies, the opinion of the essayists is somewhat divided. Prof. Waldo discusses the criticism levelled against the 'non-scientific' character of case studies in relation to the systematic scientific theory of administration and the difficulties in achieving 'scientific rigour' due to the multiplicity of variables in an administrative situation, and concludes that though it is possible to conceive case studies which will serve scientific purposes, their preparation is beyond the resources of time, money and trained personnel. Prof. Fesler, though more optimistic about the scientific uses of case studies, also sounds a similar note.

Mr. Bock, on the other hand, observes that "case studies have particular strengths for theory building" (p.115) and have been found highly useful in evolving, qualifying and elaborating concepts and hypotheses to understand the nature of administrative reality, particularly in new or unfamiliar areas of Government activity. He lists several scientific uses of case studies and refers to the experiment at present under way, under Prof. Federick C. Mosher (University of California) to investigate, by a number of case

studies prepared with scientific rigour, a single hypothesis about the alleged beneficial effects of consultation with, and participation by, employees in the terms of an administrative reorganisation. Finally, Mr. Bock affirms that the case study in public administration, like individual case history in medicine, can usefully contribute to scientific purposes and "can even be combined with other methodologies, without losing its particular strengths or its fundamental loyalty to reality" (p.119).

Prof. Stein refers to the difficulties which attended the early experiments in case studies in the U.S.A. The Case Reports written by the administrators in the thirties of the present century had an administrative flavour; in case studies prepared at Harvard during 1945-46, "subjects were selected for easy availability and for simplicity and interest of chief issue rather than by some analytic system of coverage" (p.34); and the Policy Committee of the Committee on Public Administration Cases (1948-51) found the search for suitable cases to illustrate particular administrative issues to be frustrating and time-consuming (p.36). The experience of the Case Programme in Indian Administration, started in 1961 by the I.I.P.A. under the direction of its Committee on Case Studies, has been similar. Such difficulties obviously are the birth-pangs of a new programme. The Indian Case Programme is generally modelled on the American pattern; but it is yet in a stage of experimentation, and the *genre* of the case study most suited to the Indian 'administrative context' is still to be discovered. The Indian Case Programme has great potentialities for testing the validity of the hypotheses and concepts of public administration developed in the Western countries,

in their application to conditions in India, for building up a systematic body of knowledge about the Indian administrative process, and for illuminating the complex relationship

between public ends and policies which has assumed a vital importance in the light of the national goal of a socialistic pattern of society.

B. S. NARULA



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## BOOK NOTES

*EDUCATIONAL FINANCE IN INDIA*; By ATMANAND MISRA, Bombay, Asia Publishing House, xviii+616p., Rs. 35.00.

The volume contains a penetrating and comprehensive study of educational finance in India from 1698 to 1956. The approach is both historical and analytical and the focus of attention is the close relationship between educational finance on the one hand, and the pattern of educational administration and educational progress, on the other.

The book is divided into four parts. In the first part the author describes the main features of educational finance in India; in the second he surveys the historical developments in the field from 1698 to 1956; the third part contains an evaluation of the existing trends and practices in financing of education—it includes four interesting chapters on the respective roles in this regard of the Central Government, State Governments, Local Bodies and Private Agencies in financing education—; and the fourth part gives general conclusions and suggestions. There are, in addition, two appendices which give valuable statistics on education and bibliography respectively.

The study reveals that the average annual cost of educating a pupil in all colleges decreased but in all schools it increased in 1954-55 from what it was either in 1950-51 or 1946-47. The cost in institutions of general education decreased proportionately more than that in institutions of professional and vocational education. There was a great disparity in the cost of educating each pupil in different States and

in institutions managed by various agencies.

The author concludes that the expenditure on education has considerably increased during the post-independence period and the Union and State Governments have generally fulfilled their responsibility according to their resources in spite of heavy odds and the colossal problems that they had to face in the new-born democracy. But private enterprise has not been encouraged to the fullest extent. He finds that no special programme exists today to encourage private enterprise which costs less, and recommends the appointment of a committee or commission by the Central Government to survey the potentialities of private enterprise in education and suggest ways and means of encouraging it. He further recommends that private enterprise in education should be organised on sound lines by establishing associations for its promotion in various areas; donations and gifts to educational institutions should be free of income-tax; the systems of grants-in-aid should be flexible and sympathetic to private enterprise in education; and a definite field of activity for private enterprise should be marked out.

As regards the role of the State Governments, the author, *inter alia*, proposes decentralisation of educational administration to local boards of education which should be empowered to levy adequate taxes to finance educational programmes; the establishment of a representative and powerful State Advisory Board of Education; allocation of 20% of State revenue to education; equalisation of educational opportunities in different regions; combination of

the posts of State Director of Education and Education Secretary; creation of new specialised units within the Education Department to look after technical, basic and girls' education and teachers' training; relieving the educational inspectorate of heavy administrative work and the appointment of a State authority to prepare model plans of school buildings and to advise on school building programmes.

The author also suggests that primary education alone should be the responsibility of local bodies and this responsibility should be discharged through semi-independent education boards or committees of fairly manageable size, elected from among the members of the local bodies and including some co-opted members. Local bodies should devote at least 40% of their revenue to primary education and be required to levy a rate or where possible an educational cess.

The most important recommendation of the author is that the main responsibility and initiative for educational reconstruction should be in the hands of the States. The Central grants to education in the States should not be earmarked for any specific purpose so that the States may use them in the manner best suited to their needs and for schemes for the equalisation of educational opportunities in different areas.

The book assumes special importance because as Shri D.P. Misra, Vice-Chancellor, Jabalpur University, has pointed out in his 'Foreword', "there is hardly any book dealing with the financial aspects of education in India". It should interest all educationists and managers of educational institutions. It would also be of interest to students of public administration, because as the preceding paras would have briefly shown, his observations on

educational finance have an administrative bearing; at one place (p. 448), in fact he makes recommendations specifically for the improvement of educational administration.

1. *Local Government Structure and Organisation, and Problems of Metropolitan Areas*
2. *The Public Relations of Local Governments*
3. *Personnel Management in Local Government Administration*
4. *Automation and Mechanization in Local Government Administration*

*The Hague, Martinus Nijhoff, for the International Union of Local Authorities*

The International Union of Local Authorities organised a World Conference of Local Governments in Washington, D.C., on June 15-20, 1961, the main theme of which was "Recent Trends and Developments in Local Government Structure and Organization". In addition to the session on the main topic, seminar meetings were held on Public Relations, Personnel Management, Administrative Mechanisation and Automation, and Metropolitan Areas. The proceedings of these seminars have been included in these books.

The scheme of all the books is the presentation of papers by various participants on different aspects of the problem followed by a discussion, and at the end conclusion or summary as given by the rapporteur.

The first book deals with the local Government structure and organisation and problems of the Metropolitan areas. Under the former, apart from certain general aspects, special aspects of Local Government Organisation, viz., the legislative body or council, the executive, and the administrative

machinery, have been discussed. Under the latter, topics such as "The projections of Urban Growth", "The organization of local Government in Major Urban Areas", etc., have been discussed.

The second book covers the general aspects of public relations in Local Government and the "tasks, organization and Methods" in that field. The authors of the papers included in this book have "considered the public relations of local governments from several aspects, for example, the necessity in a democracy for a well-developed public relations programme and how such a programme can be organised, what tasks it should perform and the methods it can use".

The third book deals with aspects of personnel management such as "Motivation and Morale", "Compensation" and "Work Week". The papers and discussion in this volume "offer a clear picture of what the trends are in various countries throughout the world, as well some of the solutions that are being applied. Primarily, it recognises the vital importance of good personnel management in attaining the goal of an effective and efficient local government administration."

The fourth book, apart from dealing with the general aspects of Administrative Mechanisation and Automation in Local Government contains two case studies of mechanisation and automation in Local Government, viz. "Mechanization and automation in the Registration of the Population in the Netherlands" and "Mechanization and Automation of Fiscal and Revenue Administration in the District of Columbia". For the constantly increasing tasks which local governments are called upon to perform, the public demand for speedier, more accurate and less expensive administration and the example of

industry, which makes extensive use of electronic equipment, has brought the question of whether or not to mechanise and/or automate operations, and to what extent, to the attention of local government officials through the world.

The present books should be of value both to those who are interested in the theoretical aspects of a good local government and to those whose primary concern is their practice. By publishing these books, the International Union of Local Authorities has made useful addition to the literature on Local administration.

*INTERNATIONAL CO-OPERATION AND YOU;* By LOUIS VERNIERS, Brussels, Union of International Associations, 1962, 82p.

This short brochure aims at giving "the public, and especially teachers of secondary schools, a short, clear picture of international co-operation—governmental and non-governmental—in the complex world of today". It briefly describes the different categories of international organisations, both inter-governmental and non-governmental, their functions and achievements, the benefits accruing from international co-operation and the mechanics of such co-operation. The general principles underlying the world organisations like the U.N. and its specialised agencies are listed as balance between the member-States; specialisation of functions; geographic decentralisation of action; and financial contribution of member-States to the budget of operation (proportionate to respective national incomes). The brochure emphasises the need of co-operation of non-governmental organisations because "More than inter-governmental organizations, the N.G.Os. are alert to the needs of human beings

and to the changes resulting from new social structures".

**'PUBLIC ADMINISTRATION;**  
By P. SARAN, Agra, Gaya Prasad  
& Sons, (14)+512p., Rs. 17.50.

The book makes no pretence of being anything more than a textbook for university classes and that it is. It is divided into seven parts: Introductory; Administrative Organisation; Administrative System in select Countries; Personnel Administration; Financial Administration; Levels and Inter-Relations of Administration; and Other Important Aspects of Public Administration. In each of these parts the

author intersperses the narration of the theoretical framework with the practices followed in Great Britain, the U.S.A. and India. The treatment of local government administration is a special feature of the book which no other book on public administration in India touches upon. A glance at the Contents also suggests that it has touched almost every aspect of public administration. At the end is given a select bibliography of books.

As the author has said in his 'Preface' to the book, most of the ideas dealt with in this book have been taken from the published material on the subject in India and abroad.



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# THE INDIAN JOURNAL OF PUBLIC ADMINISTRATION

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## THE ADMINISTRATION OF PLANNING\*

*A. H. Hanson*

TODAY most countries in the world are making at least an attempt to plan their economies and there are very few that have not established a central planning agency of one kind or another. The place which is occupied by this body in the constitutional structure, its composition, internal organization, and relationships with other governmental agencies have become matters of great interest and importance to all who are concerned with the study of administration.

I therefore propose to ask what are the various possibilities in this field and to suggest some principles which might determine the choice to be made among them.

We must define the functions that a planning agency is called upon to perform, because these must be quite clear in the minds of those responsible for organizing it. The first thing to realize is that effective planning cannot be done by a planning agency alone. In a sense, planning is the responsibility of the whole nation. It is of direct and immediate concern to the legislature, the chief executive, the ministries, the public enterprises and other specialized governmental agencies, and of course, to all lower governmental formations such as local authorities. Furthermore, it requires the advice and if possible the consent of a whole host of representative institutions, such as chambers of commerce and manufacturers' associations, trade unions and co-operatives. Indeed, there are some who would regard it as the main duty of a central planning agency to criticize and co-ordinate the sectoral and local plans which have been drawn up initially by others. That, however, would be to go much too far, and it is certainly not an assertion which I myself would make. 'Planning from below', although necessary to ensure that plans are realistic

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\*Text of a public lecture delivered at the I.I.P.A. on October 4, 1962.

and that there is a widespread interest in their success, is subject to severe limitations. If the plan is to be a genuinely national plan, then some initial guidance must be given to the lower units so that they are fully informed of the general framework into which their individual plans must be fitted and the resources which are likely to be available to them. In other words, they have to be presented with a draft which is drawn up by the central planning agency and at least provisionally approved by the highest political authorities.

In practice, of course, this draft will not be formulated in a vacuum by the planning agencies. It will incorporate at least some of the ideas and objectives put up by the various executive bodies whose relations with the planners must be close and continuous. Although macro-planning has logical priority, the actual drafting process will inevitably involve a rather complicated interplay between the macro and the micro. Nevertheless, unless the general targets are centrally indicated at an early stage, the available resources estimated and provisionally allocated, and sectoral balances at least roughed out, 'planning from below' will get nowhere in particular, and may come to be regarded by the people who take part in it as a somewhat superfluous exercise. I think India had some experience of that sort during the course of the preparations for the Second Five Year Plan, an experience which caused the planners to make certain rather important changes in their methods and approaches when the Third Five Year Plan was being formulated.

When the discussions on the draft plan are completed and the final document has been sent up to the political authorities for approval and implementation, the duties of the central planning agency are of course by no means over. Indeed in some respects they have only just begun. If the plan is a middle-term one, that is a four- or five-year one, as most of them are, the planners will have to advise on its breaking down into yearly plans and the translation of the relevant parts of these yearly plans into budgetary terms. They will have to watch and record the movements of the economy, detect deviations from expected behaviour and recommend remedial action. Such action, of course, in extreme cases, may involve very substantial modifications of the original plan itself. Moreover, long before the end of the current planning period, they will be busy recording and discovering the reasons for the achievements and shortfalls in order that they may more adequately define the tasks for the ensuing period and make the next round of planning a more realistic exercise than the last.

If it has to perform all these duties, such an agency needs to have on its staff, not only people who are familiar with the various sectors

of the economy, but a hard core of technicians who are skilled in the science of economic analysis at the so-called macro level. Without these, planning is liable to be very little more than a somewhat indiscriminate gathering together of projects and the arbitrary cutting down of these to fit the estimated available resources. I think I can say without fear of contradiction that the First Five Year Plan in India was rather like that. I am not suggesting for one moment that it is a futile procedure. The First Five Year Plan was anything but futile, and I believe that valuable results have accrued from such 'rule of thumb' methods, particularly in countries which are at a comparatively early stage of economic development, when statistics are rudimentary and technicians are extremely scarce. But I think it will be generally agreed that such methods need to be transcended as soon as possible. It is also clear that the relationship between the backroom boys and the planning agency as a whole need to be very carefully regulated. The same applies to the relationships between the agency itself and the people who are responsible for taking the ultimate political decisions. (We have a saying in England that the specialist must always be on tap but never on top. The technician, in fact, cannot be allowed to prescribe, but his voice, nevertheless, must be clearly heard so that the decision-maker who chooses to disregard his advice knows exactly what risk is being taken, and if he chooses to take that risk what the consequences are likely to be. The difficulty is always to preserve a just balance between technical considerations and political considerations, because neither of them can be disregarded.) Normally, as the politician always has the last word, it is usually important to tip the existing balance somewhat in the technician's favour; and that is an action not always to the politician's taste. So the status of the planning agency and the relationships which it establishes with the other agencies of government, upwards, downwards, and sideways, are of vital concern.

I think it can be safely said that the status and therefore the influence of the planning agency is likely to be highest when it is under the chairmanship of a Prime Minister or Chief Executive (according to the constitutional system) and when it numbers among its members some of the leading ministers concerned with the formulation and execution of economic policy. This is quite clearly the case with the Indian Planning Commission which, as you know, is chaired by the Prime Minister and contains three other ministerial members, one of whom, appropriately enough, is the Minister of Finance. The Turks, who have taken to economic planning very recently, have adopted a similar type of organization. In this case, however, a formal distinction is made between a Planning Board



which is mainly ministerial in composition, and a planning organization, which is responsible for supplying the board with technical advice. In practice, the organization draws up the plan according to the terms of reference given to it by the Board,

This intimate association of leading politicians with the preparation of a plan is said by some to have serious disadvantages. The Estimates Committee of the Lok Sabha, for instance, had certain things to say on this subject. The status of the planning body as a staff agency, it argued, is undermined by having ministers on it; it becomes something more than advisory but less than executive, inhabiting a sort of unhappy half-world. Moreover, the recommendations which emerge from the labours of that kind of body—recommendations which inevitably become the subject of wide discussion—tend to reflect an economic rationality which has already become considerably deflected by political pressures. Consequently, the interested public never has a chance to consider the draft plan which the macro-analyst would regard as ideally adapted to the terms of reference which have been given. Those are the criticisms made and I am not suggesting that they are trivial. But most experience to date suggests that they are not decisive. To my mind, they are overborne by the fact that this type of planning organization continuously exposes the leading politicians who are its members to technical considerations which otherwise they might be inclined to ignore—and, what is even more important, commits them much more firmly to the implementation of the plan than they would otherwise be committed.

These desiderata, of course, are not necessarily achieved by a mere form of organization. Their realization will also depend on the characters of the politicians concerned, on the pressures to which they are subject and on the general political situation. When these are unfavourable, as they are in Turkey, for instance, at the present moment, any planning agency, however well-organised, will be just left high and dry. But that is no excuse for failing to organize a planning agency in such a way that, other things being equal, the maximum amount of political drive will be imparted to the emergent plans. Certainly there is a great deal of evidence to suggest that in some countries planning has suffered from the adoption of forms of organization which have relegated the planning agency to a comparatively humble and so-called non-political status. In the Philippines, for instance, the Office of National Planning has never been able to compete in political influence with such powerful bodies as the Central Bank and the Ministry of Finance. The result is that the Office of National Planning in the Philippines draws up beautiful plans but nobody takes much notice of them. It is a purely academic exercise.

The so-called Ministry of Co-ordination in Greece engages in exercises of the same kind.

At the same time, dogmatism on the subject of the organization of a planning agency and its constitutional position is extremely unwise, because our experience is yet very limited, and what works well in one country works badly in another. France, for instance, which probably offers the best example of a planned economy outside the Communist orbit, uses a non-ministerial Commissariat General du Plan. Pakistan, which has certainly begun to take planning seriously since the political changes of 1958, has a Planning Commission consisting of a Chairman, a Deputy Chairman, and two other members, none of whom are of ministerial status. On the other hand, Thailand has the Prime Minister as Chairman of the Planning Commission, and the Deputy Prime Minister as Vice-Chairman; but nobody can say that Thailand is planning its economy particularly well. Nor can they say that Nepal is particularly successful in the field of planning, although the King himself is the Chairman of the Planning Commission, and the Minister of Finance is Vice-Chairman, and various cabinet ministers sit *ex officio*. So one has to use the saving phrase, 'other things being equal'. One does not necessarily put political drive into one's planning by having the Prime Minister or the King as the Chairman of the planning agency and a number of other prominent ministers as its members. Hence any conclusions or recommendations on the subject of planning organization must be very tentative. The most that one can safely say is that, in the less developed countries, the Indian type of planning organization, suitably adapted to national needs, would appear more likely than most others to give economic planning the sort of political impetus it requires to achieve any measure of success.

When a country has adopted the Indian type of planning organization, there can be no doubt about the location of the technical planning machinery (irrespective of whether it is given a distinct identity as in Turkey, or functions as an arm of the board or commission). But when this form of organization has not been adopted, there are several alternative schemes, each with its merits and demerits, which are open to adoption. One of the simplest, and perhaps the best in these circumstances, is to locate the function of technical planning in the office of the Prime Minister or the Chief Executive. This gives it direct access to the man who takes the ultimate decisions, whether on his own individual responsibility or as an expression of the collective responsibility of the cabinet. Some argue that the burden thus placed on his shoulders is too great for him to bear when it is added to all the other burdens that he carries; but while it is true that

every Prime Minister or Chief Executive with any sense of duty to his country is persistently overworked, one cannot rightly regard planning as a sort of extra burden; for he cannot escape being held responsible for the success or failure of the economic plans with which his name will be inevitably identified. The solution to the problem of overwork, which is a very real one, is not to take the technical planning machinery out of the Prime Minister's or the Chief Executive's office but to ensure that the head of that machinery is a man in whom the Prime Minister or the Chief Executive can feel complete confidence and to whom he can delegate all planning decisions, save those of the greatest political importance. Indeed, in many countries, this type of solution has been adopted; for instance, Burma, Ceylon, Malaya, Venezuela and Mexico—a very mixed bag.

Another possible solution, which has found favour in some countries, is to appoint a Minister of Planning and to locate the technical planning machinery in his office. There are obvious advantages here. You can be reasonably certain that at least one person of ministerial status is giving more or less undivided and continuous attention to planning problems. But the disadvantage, which can be very grave, is that the Minister of Planning, although possessing an overall, if ill-defined, responsibility for his country's economic future, is only one among many cabinet ministers and liable to be outvoted by his colleagues or overruled by the Prime Minister; the question is then bound to arise whether he is executive or advisory, or something of both. It is difficult to define precisely what kind of authority he is authorized to wield. This does not mean that a Minister of Planning should never be appointed but simply that it is highly dangerous to 'contract out' the planning function to someone who holds a rather ambiguous position. In India, of course, there is a Minister of Planning who, as Vice-Chairman of the Planning Commission, has a general responsibility under the Prime Minister for the efficient organization and functioning of that body. But the planning decisions are not taken by him, but by the whole commission, which is headed by the Prime Minister himself; and I do not think it is an exaggeration to say that once that has happened, ratification by the cabinet becomes almost if not quite automatic.

What about the Finance Minister? In some countries and in some of the Indian States the function of planning is located in the Ministry of Finance. In Singapore, for instance, the Ministry of Finance has an economic development division headed by a permanent secretary. It is possible that this arrangement reflects the British influence. In Britain, before the very recent establishment of the National Economic Development Council, such economic planning

as was attempted fell within the province of the Treasury. This did not work particularly well, and I think it is likely to be even less satisfactory in a country which is lower in the scale of economic development. There are arguments in its favour, of course. One can argue that the planning function is naturally associated with the framing of the budget, the raising of taxation, and the control of national outlay on public account. One might argue furthermore that the Finance Ministry contains much of the necessary technical expertise, and that it is the most senior of departments with which all other departments and governmental agencies have to maintain close, and in many respects, subordinate relationships. But I think it would be quite wrong to imagine that the Finance Ministry possesses any special competence in the field of planning as we now understand it. The experts needed by the planning agency are different in qualifications and outlook from those employed by the Ministry of Finance to prepare the budget, to collect the taxes, to control expenditure, raise public loans, and supervise the central banking system and the various other things that the Ministry of Finance does. Indeed, I might almost go so far as to say that years of experience in this ministry might actually disqualify a man for the exercise of the planning function. For planning is essentially dynamic and forward-looking. Heavy expenditures need to be undertaken in the expectation of comparatively distant and indirect and sometimes problematical returns. By contrast, you often find that a cautious and conservative spirit tends to prevail in the Finance Ministries. They are ideologically oriented towards prevention rather than towards an encouragement of expenditure. Admittedly a dynamic Finance Minister can sometimes change these attitudes. But I am inclined to doubt whether he should attempt to do so because, after all, there is a vital part to be played in any governmental system by an agency which thinks consistently in terms of economy. But that agency is not the agency which ought to do the planning. Moreover, when a dynamic minister is replaced by someone of the average qualities, it is more than likely that the ministry will revert to its usual routine. Consequently, the Finance Ministry is usually an unsuitable location for a technical planning agency. Its place in the planning structure, so to speak, is operational rather than creative and dynamic.

There are various other locations which have been tried from time to time in various countries. Sometimes planning has been given to the Central Bank. Sometimes it has even been contracted out to the universities. But we need take little notice of these eccentricities.

I have already emphasised that dogmatism in this field is very ill-advised, but it would seem to me that the two alternative systems

most likely to yield favourable results, at least in the less developed countries are: (1) the system where the technical planning agency is attached to a Planning Commission, containing strong political representation, and working under the chairmanship of a Prime Minister or Chief Executive; and (2) the system where it is attached to the Prime Minister's or Chief Executive's own office,

If there are circumstances, political or otherwise, which seem to suggest another kind of arrangement, I think they ought to be scrutinized with the greatest possible care.

## II

I want to turn now from the problems of administrative construction involved in the creation and the composition and the location of a planning agency to the much more serious administrative problems which arise in respect of plan implementation. These have been discussed at great length in India and I want to select just one or two which seem to be particularly important, or perhaps unduly neglected. But first let us have a brief look at the general administrative problems involved in plan implementation. It is the merest commonplace to say that the planning sets the administrator new and difficult tasks. Take the following passage, which I think is fairly well-known, from Pakistan's First Five Year Plan:

"So far as law and order, administration of justice and collection of revenues are concerned, the system (that is the system handed down to Pakistan by the British) continues to serve the country reasonably well. However, its efficiency in these essential fields tends to invest it with a fictitious appearance of adequacy for all purposes, including the new and supremely important task of planned development. This, on the one hand, creates a psychological atmosphere of complacency unfavourable to growth; and on the other, increases the inertia of the system, its power of resisting change. The result is an inner conflict in the business of government. While government policies have a clear and definite bias in favour of development, the administrative system, wedded as it is to the status quo in its approach, organization and procedures, tends to pull in a different direction."

That was written about Pakistan. It might be written about almost any country which is attempting to develop from a comparatively low level by means of economic planning.

The remedies for these administrative deficiencies are now well known. The administrator, we are told, quite correctly, needs training

of a different kind from that traditionally given, a training which emphasizes the art of management rather than the mere knowledge of the law and regulations. Within the administration, there must be greater delegation of responsibilities to reduce congestion and delay at the centre and to enable the official to react swiftly to changing circumstances and exercise his initiative in the solution of problems. In most cases, this involves a greater preparedness on the part of ministers to trust their civil servants and to ensure that only matters of really prime importance come to rest on the ministerial desk, and not the petty-fogging day-to-day decisions. It also demands—and there has been an enormous amount of discussion about this in India—a revamping of the traditional methods of financial control through the abandonment of that meticulous checking of estimates and control of disbursements which is suitable to a more leisurely age and more negative type of administration.

I am not suggesting that these reforms can be effected by a stroke of the pen. On the contrary, they involve the most continuous struggle against ingrained habits. Even in India, where considerable progress has been made towards the accomplishment of these things, the Third Five Year Plan emphasizes very much the same administrative deficiencies emphasized in the First Plan, as is evident in the following extract from the Third Five Year Plan report:

“Our slow pace of execution in many fields; the problems involved in the planning, construction, and operation of large projects, difficulties in training men on a large enough scale, and securing personnel with the requisite calibre and experience.”

Generalizing about these things the authors of the Third Five Year Plan say:

“As large burdens are thrown on the administrative structure, it grows in size. As its size increases, it becomes slower in its functioning. Delays occur and affect operations in every stage and the expected outputs are further deferred. New tasks become difficult to accomplish if the management is open to criticism. In these circumstances, there is need for far-reaching changes in procedures and approach and for re-examination of the prevalent methods and attitudes.”

This is one set of problems. Then there is the problem of administrative co-ordination, which is of the very essence of planning. To break down the Five Year Plan into a series of yearly plans, to translate these into budgetary plans, to ensure that every agency, not only understands its commitments but is determined to fulfil

them; to bring about continuous co-operation between the various agencies involved; all these things demand very considerable degree of administrative sophistication, a readiness to subordinate personal ambitions to the common good and an *esprit de corps* at the top level of the kind that has given the British administrative class its world-wide reputation. Even more, it requires a government sufficiently authoritative and sufficiently determined to be able to resist all the pressures both from within and without the official hierarchy, each one aiming at deflecting the course of the plan in its own favour. Failure at that governmental level is undoubtedly responsible for the fact that Pakistan's First Five Year Plan never really got off the ground, and that the morale of those who were supposed to be implementing it was so thoroughly undermined. This, of course, is an extreme example, because the government did not give the Plan its firm endorsement and made no serious effort to enforce its discipline. I believe they are doing better now.

These, however, are what might be called straight-line administrative problems. They are problems of a kind which can be solved if there is the will to solve them, together with the necessary energy and intelligence. (A certain amount of ruthlessness may be required also, particularly in the highest political levels.) The really daunting difficulties of planning, in a mixed economy, arise at the points where the administrator, in order to be effective, has to enlist the co-operation of private groups and individuals. It is here in a very real sense that the administrator is on his own. The authority which the Government has vested in him can win passive obedience—at least we hope it can—but not the active support which is needed.

Take the district officer confronted with an apathetic municipal council, or a block development officer confronted with a community of peasants which obstinately refuses to alter its traditional methods of cultivation. Of such gentlemen, one may truly say, in the words of President Truman: "The buck stops here." The problem is one of attitude, of personal relationships, of sociological insights. At this point, the manuals of procedures have become almost worse than useless.

It is with the agriculturist that the worst difficulties are experienced; for it is a thousand times easier to restrain the exuberance of the private businessman, if that is what is required, than to dispel the apathy of the peasant. Nevertheless, I would say that relations with private business are rarely as well-adjusted from the administrative end as they might be. Obviously, the businessman must not be allowed to dominate the economy, to run it in his own exclusive interests, particularly as, in most underdeveloped countries, that interest

is often an extremely short-sighted one. But no more, on the other hand, must he be treated as a parish. I think the first danger sometimes materializes in countries committed to a free enterprise pattern, and the second in countries where the emphasis is on the public sector, and where the Government has assumed a political commitment to socialism of one kind or another. In the early stages of economic development, and perhaps in the later stages as well, controls of private business are, of course, essential, if only because every kind of resource, with the exception of unskilled labour, is in short supply. If these controls are exercised in effect by the businessmen themselves, they will degenerate into a racket, and if they are operated by bureaucrats who invariably think they 'know better' than businessmen, they will become stultifying and invite almost universal evasion. In either case the plan, at least as far as the private industrial sector is concerned, comes badly unstuck. What is needed is that they should be exercised with fairness, intelligence and flexibility, and furthermore, that they should be seen to be so exercised. This, in my view, is well-nigh impossible unless the business community itself is drawn in an advisory capacity into the whole business of formulating and executing the plan, as is being done in France through the Commissions de Modernization and as is being attempted in England through the network of advisory bodies which are now capped by the newly-created National Economic Development Council. The same considerations apply with equal force to the trade union movement in those countries where it is sufficiently well-organized and sufficiently articulate to make a coherent contribution. One of the difficulties is that, in many underdeveloped countries, neither the business nor the trade union community has adequately representative organs. In some of them, moreover, the prestige of business is low, and in some cases justifiably so in view of the anti-social practices in which many businessmen engage. Nevertheless, I am convinced that the attempt to enlist the businessman's co-operation must be made, because a mixed economy, without effective business participation in the taking of important decisions, is really a contradiction in terms.

By the same token, effective peasant participation is equally essential—in fact more so, because the whole future of the economy rests upon the development of its agricultural base. But the difficulties here are absolutely appalling. For, while administrators and businessmen at least speak in mutually comprehensible terms—they may abuse each other, but they understand the abuse—administrators and peasants might even be members of different nations. The administrator all too often appears to the peasant as the emissary of an alien urban civilization, to be treated with circumspection and




suspicion, even when he comes bearing gifts, and perhaps especially then. The approach adopted by the administrator, therefore, becomes of decisive importance. He must be able, first of all, to give expression to national objectives through the formulation and the operation of a multitude of small-scale schemes and projects which are meaningful to his constituents in terms of their own experiences and aspirations; and this is not easy. For, as the Third Five Year Plan says, "the line of communication between planning for the country as a whole and for each district, block and village, is a long one and to be able to preserve broad national priorities, while seeking to adapt the plan in its myriad forms to the conditions and needs in each area and each community, is no small objective." But even more than this, the administrator has to be willing to pocket his pride as a government servant. He has to be prepared to learn from those whom he is administering, because these not only have a fund of traditional wisdom which is not always to be despised, and inevitably a far more intimate knowledge of the local situation than he, as an outsider, can ever hope to acquire. Only if he is capable of projecting himself imaginatively into the mentality of the unlettered peasant will he be able to induce and guide the healthy growth of those self-governing institutions such as village councils and co-operatives upon which the realization of the plan objectives of the country ultimately depends.

What I want to emphasize is that, fundamentally, this is a question of attitudes rather than of organization. I think that you in India are realizing that more and more. You have changed the organizational pattern of your community projects several times, and it has become fairly evident that a mere change in organizational pattern is not in itself going to produce the results which are required. The administrator has, in fact, to adopt the unfamiliar role of persuader, demonstrator and indeed listener rather than the familiar one of giver of orders. This demands an enormous effort of psychological adjustment—so enormous that, except with most unusual individuals, it can be induced only by an elaborate course of training and indoctrination. This is generally recognized in most countries although it is not so generally acted upon. What is less generally recognized, and I am afraid hardly ever acted upon, is that the rural administrator, the man who is responsible for carrying the plan to the rural community, needs to be selected from the very best of the administrative corps. Special qualities are required and the rewards and prestige need to be commensurate with those qualities. For the present, there are very few countries where a man is going to make a reputation or even a reasonable competence for himself by becoming

an administrator in a rural area. The plums are all at the centre, in the secretariats, the departments, and the public enterprises, and the big town is inevitably a Mecca for the able administrator, as indeed it is for anyone else of more than average ability. Rural life is so 'dull' and so 'uncultured'. There are no playhouses, cinemas or lectures, and little possibility of sharing one's experiences with people of a similar educational background. Naturally, people do not want to go there if they can avoid it. To change this situation, which can be wholly disastrous for the cause of agricultural development and rural uplift, and therefore in the long run for planning, a positive revolution in government's administrative policies is called for. As yet there has been no such revolution anywhere, and I think that is one of the main reasons why agriculture, which is everywhere the most vital sector in developmental policies, is usually the least successful of all sectors. I would suggest that if more attention be given to these and similar problems and perhaps less to such comparatively overworked subjects—and I am responsible for a great deal of overwork myself—as the conduct and organization of public enterprises, there would probably be very much better results to record in the field of planning.

I hope I have not sounded too dogmatic. I am certainly not attempting to give any advice to this country because I am not in a position to do so. I am simply retailing some of the conclusions I have provisionally and tentatively come to—and I underline those words 'provisionally and tentatively'—as a result of looking at the administration of planning in a fair number of countries.



## THE BUREAUCRATIC LEGACY OF MODERN MALAYA

Robert O. Tilman\*

THE roots of Malayan bureaucracy can be traced to the London East India Company created by Queen Elizabeth I in 1600, for it is a direct line of descent that connects the covenanted civil service of John Company with the Colonial Administrative Service that was established in 1932. While the early bureaucratic history of Malaya is a worthwhile subject of study, it must be sufficient for the purposes of this essay only to point out that Malayan administration has always drawn heavily on British experiences in the Indian sub-continent and that until the transfer of the Straits Settlements from the India Department to the Colonial Office in 1867 an organic connection had existed between the two administrative structures. Salaries, leave regulations, retirement benefits, and other perquisites of Malayan government service were patterned after those adopted in India; indeed, the present-day Malayan Civil Service is itself based on the Indian Civil Service model.<sup>1</sup>

In 1954, three years prior to the independence of Malaya, the term Colonial Service was dropped in favour of the more acceptable title 'Her Majesty's Overseas Civil Service.'<sup>2</sup> Simultaneously, plans were made in Malaya for long- and short-range training programmes for Malaysians<sup>3</sup> that have permitted the orderly nationalization of the services and have thus provided a relatively smooth transition from

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1. The Malayan Civil Service is a small corps of administrative generalists posted to key positions throughout the government. Like the I.C.S., there was (and still is) the underlying theory that each M.C.S. officer would serve several tours in field posts before being elevated to a post in a state or federal capital, thus providing M.C.S. officers with the unique opportunity of observing Malayan administration at all levels. On the Indian Civil Service, Sir Edward Blunt, *The I.C.S.* (London: Faber and Faber, 1937), is a somewhat journalistic but valuable account. As yet, there is no adequate study of the M.C.S. available.

2. See Great Britain, Colonial Office, *Reorganization of the Colonial Service* (London: H.M.S.O., 1954), pp. 6-7 (Colonial No. 306).

3. Throughout the remainder of this essay a distinction will often be drawn between Malay and Malayan. Though it may appear insignificant, the distinction is important in the present political context of Malaya. 'Malay' is accepted as a term describing the early inhabitants of Malaya (and parts of Indonesia) who habitually speak the Malay language, practise Malay customs, and are followers of Islam. 'Malayan' a broader term, may embrace all communities and indicates an identification with the Federation of Malaya (and, in some usages, with the State of Singapore).

colonial to independent status. When independence came for Malaya on August 31, 1957, there were some 1,500 Europeans serving in the bureaucracy, but five years later this figure had been reduced to approximately two hundred.<sup>4</sup> Though the character of the present-day bureaucracy is being increasingly subjected to indigenous influences, the basic structure and orientation continue to be derived from the British colonial tradition.

The influence of the colonial experience on the bureaucracy of modern Malaya may be observed in the institutional structure, in the functioning of the system, and in the outlook of the bureaucrats themselves. First, the proliferation of services that has led to the present-day array of minor miscellaneous geographical and functional services is itself a product of the divergent administrative experiences of the seven political entities of pre-1942 Malaya. Second, the formal bureaucratic structure as a whole represents an attempt to implant British ideas and institutions on Malayan soil with the hope that the seeds will take root and that the bloom will resemble the original as closely as possible. Third, salaries and perquisites presently attached to senior government service are considerably greater for present-day indigenous officers than those available in private enterprise, since government salaries were originally intended to entice Europeans to live in an underdeveloped tropical country. Fourth, the outlook of the individual bureaucrats, the bureaucratic image, and the prestige and influence of the bureaucracy in the total political system are themselves the outgrowths of the colonial past and demonstrate the influence of the expatriate predecessors.<sup>5</sup>

### *The Proliferation of Services*

History has left Malaya overly governed and overly administered. In an area of only 50,599 sq. miles with a present population of about 7.5 million, there are eleven state governments and one Federal Government, each of which has a titular head of state, an elected chief executive, a legislative body, and in some cases bicameral legislatures. Each government has its own bureaucracy consisting of

4. On the process of 'Malayanization', see T. E. Smith, "The Effect of Recent Constitutional Changes on the Public Services of the Federation of Malaya and Singapore", *Public Administration* (London), XXXVII (Autumn, 1959), pp. 267-73 (also issued as No. 5 of the University of London, Institute of Commonwealth Studies, "Reprint Series"); and the author's "The Nationalization of the Colonial Services in Malaya", *The South Atlantic Quarterly*, LXI (Spring, 1962), pp. 183-96 (also issued as No. 7 of the Duke University Commonwealth-Studies Center, Program on Southern Asia, "Reprint Series").

5. The use of 'expatriate' to describe European officers serving in the Colonial Service may not be semantically correct, but its usage seems to have become accepted in the areas under the jurisdiction of the Colonial Office. Significantly, the term does not appear in documents dealing with the I.C.S. and is not currently used in India and Pakistan.

administrative, professional, technical, and clerical officers, though each government often uses personnel drawn from the bureaucracy of one of the other units. Each state is divided into administrative districts and sub-districts and the latter are further divided into *mukims*. There are elected town and district councils. There are career District Officers, appointed *penghulus*, and recognized *ketuas kampung*.<sup>6</sup> Government and administration are omnipresent in Malaya.

During the colonial period, officers were recruited individually by each of the seven administrative and political units of the peninsula, and these units in turn lent and borrowed civil servants among themselves. All the while, parallel but formally unconnected bureaucratic structures were developing, and, though the Malayan public services are not unduly large by international comparison,<sup>7</sup> this historic fragmentation has led to a confusion of diverse schemes and titles of services. For example, each of the five states of the former Unfederated Malay States (Perlis, Kedah, Kelantan, Trengganu, and Jahore) has both state civil services and several state clerical services. Each of the four states that formerly comprised the Federated Malay States (Negri Sembilan, Pahang, Perak, and Selangor) has its own clerical service, while the less senior administrative posts are filled by the Malay Administrative Service—a historical anomaly—that still serves only the states of the F.M.S. though recruitment is now Federation-wide; and the two present-day states that were originally part of the Crown Colony of the Straits Settlements (Malacca and Penang) have both state civil services and separate clerical establishments.<sup>8</sup>

6. *Penghulus* (correctly '*penghulu-penghulu*') are junior officers, usually residents of the community, appointed to head the administration of *mukims*. In 1960 there were 1,098 *mukims* in the Federation, varying greatly in size though averaging about 46 sq. miles; each. (The average size of a *mukim* in Kelantan is approximately twelve sq. miles in Pahang, almost 200 sq. miles.) *Ketuas Kampung*, the traditional unpaid village headmen, have now been given official status.

7. The precise size of the Malayan bureaucracy is difficult to estimate with a high degree of reliability. Using the *Federal Estimates* and the *Estimates* of the eleven states for 1960, the author tabulated a total bureaucracy of 72,537. Assuming estimated vacancies of 10-15% (and this figure is almost pure conjecture at the present time), it means that approximately 1%—and this figure cannot be carried beyond a single digit with any justification—of the Malayan population is employed by government. While the size of the bureaucracy is viewed with some alarm by many Malaysians, this percentage compares not unfavourably with the figures of 1-2% for Latin American countries, 2.2% for Egypt, and 6% for the United Kingdom. See Joseph J. Spengler, "Public Bureaucracy, Resource Structure, and Economic Development: A Note", *Kyklos*, XI (1958), p. 479. For Pakistan, based on available data, it is estimated that between 0.3 and 0.5% of the total population is employed by government in posts other than those in railways and posts and telegraphs. (These figures were supplied by Prof. Ralph Braibanti of Duke University and are based on material collected for a forthcoming monograph on Pakistani bureaucracy.)

8. In the proliferation, fragmentation, and duplication of services, the clerical services suffer the most chaotic situation. In the Federation and the eleven states, there were 55 different schemes of service in 1960, and after two years of concerted attempts to combine and eliminate the lesser services, this number has been reduced by only four. The problem arises because the scheme of service under which an

Though it is seldom recognized by the bureaucrats themselves, the complex web of federal-state services in Malaya is held together by a network of agreements similar to treaties between the Federal Government on the one hand and each of the states individually on the other.<sup>9</sup> This *Establishment Agreement* is out of place in the present constitutional context, and it was intended that it should be replaced as soon as possible after independence by the creation of 'joint public services' as put forward in Article 133 of the Constitution of 1957. In fact, however, it has proved impossible to reach agreement on a federal law to create these joint services, and the *Federation Establishment Agreement* therefore continues to be the legal basis for a common establishment.

### *The Institutional Legacy*

A table of Malayan administrative organization would suggest that the transplantation of bureaucratic institutions from the British colonial tradition to the soil of independent Malaya has been successful. Article 132 (1) of the 1957 Constitution lists as 'public services' the armed forces, the judicial and legal service, the general public service, the police force, the joint public services, and the public service of each state. Within the 'general public service' are to be found the functional services usually built around the departments and the common-user services (largely composed of administrative and clerical personnel) that grew up on a Malaya-wide basis under British guidance. Superimposed upon this functional arrangement of services is a horizontal stratification of the regular bureaucracy consisting of Division I at the top and extending to Division IV at the bottom. Division I and several Division II services are further stratified into a broad base of time-scale officers, topped by a pyramid of lettered super-scale grades. Promotion within the time-scale comes automatically with seniority, with the exception that at one or two points it may be necessary to pass examination bars; but there is no attempt to grade posts within the time-scale according to the level of seniority attained by the officers. Unlike the time-scale, lettered super-scale

officer enters into government employment is regarded as a contract that binds the government as well as the officer. Thus, unless an officer opts voluntarily to convert to a new scheme, he will remain under his original scheme of service (even in retirement) until he resigns or dies.

9. The original *Malayan Establishment Agreement* was negotiated in 1934 to facilitate the transfer of personnel among the various political units. See *Federated Malay States and Singapore, Malayan Establishment: Agreement, Conditions of Service and Salary Schemes* (Kuala Lumpur: Government Press, n.d.). The last published agreement appeared almost one year before independence, though unpublished amendments were made at independence to delete colonial titles to reflect the changed political status of the Federation. See *Federation of Malaya, Agreement for the Constitution of a Federation Establishment* (Kuala Lumpur: Government Press, 1956). The unpublished amendments were contained in *F.E.O. Conference Series 1180*.

*Salaries and Benefits*

Salaries and perquisites of present-day bureaucrats also reflect the colonial past. As a general rule, salaries of Division I officers are superior to those of posts in private industry filled by Malaysians of approximately the same age and possessing similar educational qualifications and experience. During the colonial period, salaries of senior bureaucrats had to compete with those of commercial expatriates and were therefore pegged to a very comfortable British standard of living. At the same time, local conditions have largely determined the salary scales of less senior posts. The result is that there is now great disparity between the average salaries of junior and senior bureaucrats.<sup>15</sup>

The differential indicated in the salary scales does not, however, reflect the true picture of the difference in real income. To the basic salary is added a Cost of Living Allowance that varies according to the salary of the bureaucrat, the size of the family, etc. Public servants are provided either with subsidized housing, for which only token rental is paid, or, when housing is not available, with a graduated housing allowance based on the type of quarters for which the servant, by virtue of his grade, would otherwise be eligible. Medical care for government officers is provided almost free of charge in government medical institutions; leave regulations are extremely liberal; and a number of miscellaneous benefits have accrued, such as interest-free auto loans without a cash payment for senior officers, clothing allowances for regular duty in temperate zones, and other minor leave, educational, and travel benefits. Of course, officers on the permanent establishment also participate in a pension plan, the beginnings of which can be dated to the East India Company Service of the mid-nineteenth century.

The origins of most of the extra benefits enjoyed by public servants in Malaya can be traced directly to the nature of the public services in the colonial period. The services were geared to the needs of the expatriate officers, and the added benefits were a necessary inducement to attract men to a country where housing, medical facilities, and transportation were inferior to those enjoyed in England. With independence and the Malaysianization of most of the bureaucracy, these benefits have passed on almost intact to the incoming indigenous officers. While the original logic for many of these

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15. The maximum salary listed in the present *Staff List* is \$756.67 per month; the lowest salary listed in the Schemes of Service is \$24.50 per month. This of course represents the maximum differential. Division I ranges from approximately \$185 to the figure given above. Division II, \$100—\$270; Division III, \$35—\$200; and Division IV, \$25—\$65. (All figures are given in U.S. dollars. U.S. \$1 equals approximately M\$3, or M\$1 equals 2s. 4d.)

perquisites has now passed, it is unlikely that the benefits will disappear easily so long as the present period of political and economic stability continues. At least the experiences of the government in attempting to alter the present housing provisions suggests that it will not be an easy task to abolish the current perquisites enjoyed by civil servants.<sup>16</sup>

### *The M.C.S. Image*

During the colonial period the administrative services—primarily the Malayan Civil Service<sup>17</sup>—constituted the predominant voice in the day-to-day control of government business. The decisions of junior M.C.S. officers in the field could be highly discretionary, and senior M.C.S. personnel had a hand in policy formulation on the state and federal levels.<sup>18</sup> Thus, the M.C.S. was often as political as it was administrative, and this dominant position in the political process elevated the Service to a unique status, comparable and perhaps superior to that of the Indian Civil Service. As the M.C.S. was Malayanized, native officers were recruited who had served long periods of apprenticeships in the junior administrative service, the Malay Administrative Service, under the watchful eyes of their expatriate superiors in the M.C.S.<sup>19</sup> At least among these more senior officers, the attitudes and traditions characteristic of the colonial M.C.S. have persisted. After a lengthy and sometimes acrimonious struggle, there is now complete parity of salary scales among the various services; yet no appointment carries with it prestige comparable to acceptance by the M.C.S. Moreover, following the lead of the pre-war expatriate elite of the M.C.S., older Malay officers of the Malay College-M.A.S. tradition

16. A new housing scheme, based on the proposals of G. A. Atkinson, has been under consideration since 1952, but to the present time it has been impossible to reach a compromise.

17. See n. 1, above. As of January 1, 1962, the M.C.S. was composed of 283 officers. Of these, 219 were Malay; 17, Chinese; 15, Indian; 26, expatriate; and six were Eurasian. Federation of Malaya, *Staff List* (Kuala Lumpur: Government Press, 1962), pp. 2-17.

18. M.C.S. officers constituted a large and important part of the Federal Legislative Council, where, in 1937, for example, they accounted for almost one-half the total membership. This included, among other M.C.S. members, the four Residents, the Federal Secretary, Legal Adviser, Financial Adviser, Adviser on Education, Commissioner of Customs and Excise, Controller of Labour, and Secretary for Chinese Affairs. See Federated Malay States, *Proceedings of the Federal Council, 1937* (Kuala Lumpur: Government Press, 1938).

19. The M.A.S. was created in 1910 to provide officers for subordinate appointments in the F.M.S. For many years the M.A.S. drew almost exclusively from among students of Malay College at Kuala Kangsar, an English-language primary, and later secondary, school created along the lines of an English public school. An appointment to the M.A.S. was particularly attractive because until the M.C.S. was opened to direct local recruitment in 1953, the only method of entry into the senior service for indigenous officers, with only rare exceptions, was through the M.A.S. See the author's "The Malay Administrative Service, 1910-1960". *The Indian Journal of Public Administration*, Vol. VII, No. 2 (April-June, 1961), pp. 145-57. Of the 283 officers of the M.C.S. in the 1962 *Staff List*, 114 (40.3%) entered by promotion from the M.A.S., or, discounting the non-Malay officers, 52.1% represented former M.A.S. officers.



often attempt to communicate to younger officers something of the aura that surrounded the colonial M.C.S. Part of an address by a senior M.C.S. officer of this tradition before a group of new recruits to the administrative services in 1959 clearly points this up:

I should like to talk to you this morning on the responsibilities which you must now shoulder outside office hours. Many of you are members of the Malayan Civil Service, the most senior service in this country. Others of you are members of the Malay Administrative Service and the State Civil Services but I trust that you also aspire, in your hearts, to eventual promotion to the Malayan Civil Service. The Malayan Civil Service is a service with great traditions which has produced many important figures in this country. ...

It will be impossible for you in your life outside the office to be regarded, by your friends and by the general public, in any other way than as an officer of the Malayan Civil Service. This status makes it essential that you should always behave in a manner befitting a senior Government officer. You may not as yet be very senior in length of service but you must never forget that you are a member of the senior service in this country and that you have a certain standard to maintain. All of us have to have some form of relaxation. While a particular celebration may include an infrequent visit to a cabaret it is certainly not proper for an M.C.S. officer to make cabarets his usual form of amusement. In the social circle you will have to choose your friends carefully so that no one can say that you are in a position to show favour to them in your official capacity. While there is every reason that you should be civil and on good terms with members of the general public it is certainly not desirable that you should always be seen in the company of towkays (wealthy Chinese) and business officials.

You must strive to maintain your dignity, to be honest and above all, to try to avoid a situation in which you are open even to the faintest breath of suspicion about your integrity. ... I can assure you that your behaviour outside office hours will be almost as important a factor to your senior officers in recommending your promotion in the service as will be your performance in office during office hours.

I would like you to realize that the Service to which you should be proud to belong has a very high tradition, and indeed is the best Service in any of the East Asian countries. This reputation has been built up over a period of nearly three quarters

of a century by men who dedicated themselves to the principles I have already described to you. They went through untold hardship, restraints and selfless devotion in order to defend and uphold those principles. As their successors you must not let them down.

Within the M.C.S. today there seems to be a lopsided but nevertheless uneasy balance between members of the old tradition and, for purposes of contrast, what might be termed, the creators of a new tradition. With several notable exceptions, those in the latter category are primarily the younger Malay officers recruited directly from the universities (usually, but not invariably, from the University of Malaya at Singapore—now the University of Singapore) who have served little or no time in district administration. This group seems to exhibit a somewhat broader Malayan outlook than do their older superiors, and, though less inclined to imitate the practices and mannerisms of their pre-war British predecessors, they are nevertheless imbued with an apparent desire to work within the framework introduced by the West. This group is at the present time, however, outnumbered and in a subordinate position in the hierarchy. Moreover, since the demands of Malayanization have pressed forward into the senior posts men of middle age, who are then followed by clusters of these younger officers, it is probable that this latter group will assume positions of authority within the M.C.S. very slowly until the retirement rate accelerates in later years. Thus, for the moment, the general character of the M.C.S. is shaped to a great extent by the Malay College-M.A.S. tradition. However, given conditions of continuing political stability, it is probable that this character will become increasingly moulded by the outlook of the younger officers. The reverse process is of course possible, but at the present time it seems improbable.<sup>20</sup>

One final characteristic of the M.C.S. that is also a part of the colonial legacy should be pointed out. In composition the M.C.S., as was earlier suggested, is primarily Malay and not Malayan. By administrative order, sanctioned by the Constitution, recruitment into the Service is maintained at a Malay-non-Malay ratio of four to one.

20. There is a third group of M.C.S. officers that fit neither of these two categories whose numbers are large but whose influence is negligible. These officers entered the M.C.S. through the M.A.S. after having been recruited late in their careers to fill vacancies in the M.A.S. created by promotions to the M.C.S. in the early stages of the Malayanization programme. Some were recruited directly, but most came from less important Division II services and are presently being used largely to staff District and Assistant District Offices. Considerably older than most of their M.C.S. colleagues with similar seniority, these officers have had little influence on the character of the Service, except, it could be argued, to lower the general prestige of the M.C.S. somewhat in the eyes of the public. This group will begin to retire in the near future, however.

The practice of barring non-Malay Asians and encouraging Malays to enter the administrative services was part of the historic British policy of attempting to bring competent Malays into the Western social order, all the while insulating this indigenous community from possible interference by the more vigorous communities of immigrants. It was not in fact until 1953, under the leadership of the then High Commissioner, General Sir Gerald Templer, that non-Malays were first admitted to the M.C.S., and the quotas imposed at that time have carried over into the present. Thus, while the total bureaucracy of the Federation has achieved a remarkable cosmopolitan quality,<sup>21</sup> the major administrative services have remained almost a Malay preserve.

Malayan bureaucracy at the present time is approaching a cross-roads. There can be little doubt that British-induced norms are weakening at the same time that the British-designed institutions give every appearance of flourishing. Increasingly, examples may be seen of procedure and substance becoming confused. Too often the ritual of going through the administrative motions is seen as the end in itself, while little attention is paid to the content of administrative decisions. In some cases the pressures of the transitional period have pushed to the front men of only mediocre ability, and the axiom that 'mediocrity breeds mediocrity' has yet to be disproved. Not infrequently today, unproved allegations of petty corruption in the lower echelons of bureaucracy are to be heard, matters that in themselves are minor but which might be indicative of a relaxation of modern restraints and a reassertion of traditional patterns of behaviour. Government officers are often hyper-sensitive to criticism, and the well-intentioned critic is too often viewed as a misguided enemy.<sup>22</sup> The bureaucracy of Malaya weathered the storm of the immediate post-independence period and in so doing exhibited remarkable vitality and resiliency, but in a sense these were its easier days, for now the crucial test is almost at hand. The projected Federation of Malaysia is going to impose new burdens and responsibilities on an almost completely indigenous bureaucracy that is already compelled to shoulder more responsibilities than its colonial predecessor ever had to face.

21. On the cosmopolitan nature of the senior bureaucracy, see "Public Service Commissions in the Federation of Malaya", p. 194. On the present composition of the M.C.S., see n. 17, above.

22. The Chairman of the Central Executive Committee of the National Language Month recently provided an outstanding example of this sensitivity in a speech before the Selangor Branch of the Malayan Indian Congress. Commenting on an editorial in an English-language newspaper to the effect that it might be necessary to delay the complete conversion from Malay to English beyond the 1967 deadline in view of the impending Malaysia scheme, the Chairman replied: "To us there are only two groups. The group that is for the language, and the other that is against. There is no in-between group. Those for the language are with us. Those who are not with us are our enemies." See, *Malayan Times* (Kuala Lumpur), July 30, 1962, p. 2.

The bureaucratic legacy has deposited in Malaya a sophisticated, though sometimes cumbersome, administrative machine that has all the apparent characteristics of the bureaucracies of the older nations of the West. That one can evaluate and criticize Malayan bureaucracy on the same standard applied to the older states is itself suggestive of the nature of the system. But however sophisticated it may appear, bureaucracy in modern Malaya is immature, and the colonial legacy is not secure.



"If one were to believe the public statements and writings of leading administrators, one could believe that most of are genuinely anchored in the democratic style. Few will openly admit being autocratic or bureaucratic. After all, this is the age of the enlightened executive who assumes his social responsibility. However, upon close inspection they show a tendency to cling to the democratic theme out of feelings of inadequacy and uncertainty. They are democrats out of fear of public opinion rather than because they genuinely understand the needs and problems of people."

—EUGENE E. JENNINGS  
(In *The Executive—Autocrat,  
Bureaucrat Democrat*)

## SOME THOUGHTS ON STATE ADMINISTRATION

*B. Mehta*

SINCE the time we achieved our Independence it became necessary for the government to take speedy measures for economic and social improvement of the people. The general acceptance of the concept of a socialistic pattern of society has necessarily enlarged the scope of activities with which the administration has now to concern itself. The complexion of administration has also undergone a change as a result of:

- (i) Modernization of society due to the influence of scientific and technological advance;
- (ii) Complex nature of administrative and political organizations that are being introduced in and outside the country; and
- (iii) Introduction of people's institutions at and below the district level.

This increase in, and orientation of, government activity has naturally resulted in multiplicity of agencies to deal with these activities. That, in its turn, has increased the opportunity for the administration to come into direct contact with people, for realization of the rising expectations of their economic and social improvement. While this process is still crystallizing, the introduction of democratic institutions at the district, block, and village levels has added an element of urgency to the despatch of government business particularly for matters that vitally affect the well-being of the community. It may be useful to examine in some detail the measures that will help to meet this growing challenge to the administrative machinery of the country.

The system of administration as it exists today is basically sound. There is, however, need for it to continue to grow to suit the changing conditions, and to acquire a greater sense of urgency to satisfactorily deal with problems that agitate the minds of the people.

There has been visible improvement in the direction of the government servants becoming more and more responsive and adopting a more sympathetic and helpful attitude than in the past; this sense, however, does not permeate through its rank and file. One of the important reasons which could be attributed to this trend is more or less disappearance of fear of punishment. This has tended to be so

for a variety of reasons; one of the important of these being the tendency of the next higher authority not only to interfere in the disciplinary proceedings by immediate superior but even in postings and transfers. This, however, does not mean that the next superior authority should not supervise the work of its subordinates. If anything, there is need for it to see that the subordinate authorities are alert in their supervision over the work of the officers immediately below them. There is also need to ensure that action is taken against those found lacking in exercising adequate supervision.

To bring about efficiency in administration would, therefore, call for delegation of sufficient powers at different levels, insistence on their proper and adequate exercise and for this purpose detailed inspections without interference in day-to-day exercise of the powers delegated.

#### *Delegation of Powers and Adequate Inspections*

In the past few years there has been considerable advance in delegation of powers at lower levels. This has resulted in expeditious despatch of government business, wherever these powers have been exercised. There is, however, a tendency not to exercise the powers delegated and to refer the matter to the next superior authority for orders. Such cases need to be adequately dealt with. In Yugoslavia, for example, for a Director of an organization, it is laid down in the law that if he fails to record his opinion, he shall be prosecuted. We may, in the initial stages, not make such a stringent provision, but certainly make rules whereby against such persons who fail to give correct advice, departmental action could be taken. To start with, for this purpose there should be an Inspectorate to independently examine cases in which powers delegated have not been exercised, or have been abused, or the procedure followed varies with the one laid down in the Rules of Business, or correct advice has not been tendered. There should also be an Inspectorate to investigate cases of leakages of government revenues. The latter needs immediate attention.

While examining cases of leakages of revenue or sources of waste, following need to be looked into:

- (i) Maintenance of expensive equipment—neglect in maintenance of expensive equipment is a source of considerable waste and a major drain on country's financial resources;
- (ii) Cases of failure to realize full government revenue and other dues. In this, cases of evasion of taxes with the collusion

of staff need particular attention; and

- (iii) Expenditure incurred on projects without assessment of prospects and demands.

For inspections to be detailed, purposeful and instructive, it is necessary for the inspecting officer to devote his attention primarily to four or five basic functions of the officer whose work is being inspected. This alone would enable him to have an objective assessment of the level of performance attained by the subordinate officer. Such an assessment must inevitably take into account cases of abuse of authority, deviations from the procedure laid down for disposal of various matters, inordinate delays and a rigid adherence to the principle of 'first come first served'. This is possible only when the inspecting officer devotes sufficient time in inspections; examines 30 to 40 per cent of cases disposed of, to arrive at a definite finding.

It is even for consideration whether a system of marking could not be introduced like the one that has been in vogue in the Secretariat of some States; the Organization and Methods Division does marking of the work of the dealing assistants. The marks obtained should be recorded in the annual confidential reports. For marking to be fair, it should be an important function of the next higher authority to see that the marking has been done after detailed checking. To this effect he must give a certificate while drawing up the annual confidential report of the officer who did the marking.

Another important thing to be examined by the inspecting officer should be the extent to which the officer himself has taken pains in the discharge of functions entrusted to him and the extent to which matters have been left to be dealt with by the subordinates.

An objective and impartial assessment of the work of each functionary at different levels by the next senior authority would provide the necessary incentive for good work and at the same time inject the fear of punishment in those who are found wanting.

It needs, however, to be mentioned that the inspecting officer should not only be a fault-finder. He must also record the good work done. Most of our inspection notes today are fault-finding. These create frustration in the subordinate officer rather than enthuse him to improve or to put in better performance and to that extent they militate against their usefulness.

Recognition of merit can take various forms, such as (i) assignment to good district; (ii) appointment on odd jobs which call for extra abilities in implementation of new ventures and have an extra allowance attached to them; and (iii) re-employment opportunities.

A stage has been reached where we should have a classification of areas into good, bad, and indifferent. First appointment should invariably be to bad areas and that also for a period of three years. Stay at a place for three years should not be considered sufficient. Ordinarily, the tenure of office at a particular place should be of five years. Transfers before this should be an exception; warranted only by bad reports or extraordinary circumstances. While considering merit, therefore, an important factor that must be taken into account is the period spent in a bad or indifferent place in the total period of one's service. This has assumed greater importance as some of us are getting soft and do not welcome assignment to difficult areas or places where amenities of life, available in big towns, are difficult to get. That being so, an endeavour is made, sometimes with success, to get postings to comfortable places. Officers are also reluctant to accept assignments in training institutions or other odd jobs. This should cease. At the time of annual assessment the officer initiating the report should mention the efforts, if any, made by a subordinate to get his transfer cancelled or his posting made to a place other than the one to which under ordinary circumstances he would be entitled to. The Government should take a serious view of adverse reports of this type.

Another direction in which vigorous action is called for is the utilization of the provision for compulsory retirement. Officers whether gazetted or non-gazetted found inefficient or of doubtful integrity should be compulsorily retired.

### *Cell System*

An important direction to which immediate attention has to be paid is the level at which papers should be dealt with. The present system of almost all papers being dealt with first at the level of the dealing assistant (U.D.C.) and his note going to an officer of the gazetted rank needs to be thoroughly overhauled to bring to bear on the method of disposal of such papers, the wider perspective of a welfare state and the exercise of delegated authority to ensure speedy disposal. There is, therefore, need to reorganize the work in offices, in compact cells around officers so that majority of cases are disposed of directly by the officers, by calling for the relevant record, studying it and disposing of it by the quick decision dictated to the stenographer provided to him.

This system has been introduced in the Secretariat in some States and has been found working satisfactorily. There is need to extend this now to the level of Heads of Departments. This may result in the creation of more posts of officers, but there will simultaneously be a decrease in the ministerial strength. Thus there would



be few men working, but they would be more responsible. Moreover, in such an organization it would be possible to pin down responsibility and that would certainly engender more responsible action. This system to be effective would call for a carefully planned system of continuous in-service training, both to the officers as well as to other subordinates working with them.

Working on these lines would also enable the superior authority to arrive at a better assessment of the work of such officer. Such an assessment should be made available to the officer to provide him an opportunity of knowing his performance as assessed by his seniors.

### *Simplification of Rules and Procedures*

In the recent past, various reforms have been introduced which confer considerable benefits on the people. An important impediment in the flow of these benefits to the people has, however, been the complex nature of the laws, regulations, the procedures laid down, and frequent amendments thereof. Designed as they are to satisfy the requirements of perfect legislation they tend to become unintelligible to the common man who finds it difficult to digest them and to avail of the benefits that they confer.

Sometimes the complex nature of rules result in time-consuming calculations with very little difference to the state exchequer, i.e., for calculating grade increment, it would be much simple if the month was taken into consideration rather than the date on which grade increment fell due. The process of rounding up would perhaps not make much difference to the state exchequer though it would save valuable time and expense in making intricate calculations. Such instances can easily be multiplied. There is, therefore, need to probe this matter further to simplify the rules and the procedure laid down for their application.

As in the past, even today, most of the problems that one comes across while listening to the grievances of an average person in the village relate to general administration with particular reference to revenue matters. The land reforms introduced and the benefits conferred on the tenants have added to the complexion of these problems. It may, therefore, be proper to consider in this context the role of regulatory administration and the changes that need to be brought about therein.

### *Regulatory Administration*

About 80 to 90 per cent of the people in the village are affected by what the village official, viz., the Patwari, does. This official at present is primarily concerned with the collection of land revenue and

the maintenance of land records. This official should only continue to be concerned with collection of revenue and preparation of agricultural and other statistics.

The village record prepared by the Patwari and verified by the Tehsildar and the Naib-Tehsildar should be made available for inspection by the people of a particular village.

At the village level there should be no other agency except the Patwari to collect taxes. Too many agencies are irksome and prove a source of harassment to village people. This could easily be done if the Nambardar and Patwari could be made responsible for collection of taxes, even on behalf of the Union Government. I am suggesting this as in my opinion it is the cheapest agency and is easily available in the village for undertaking this work. Employment of permanent whole-time employees by various departments, besides mounting recurring expenditure also confuses the village people. I would even go to the extent of suggesting that Sub-Divisional Officers could be made in-charge of Excise and Taxation work since with the separation of the executive from the judiciary their work-load has been considerably reduced.

### *Mutations*

An important function that the Patwari or Taladi at present performs is in regard to mutations. It is for consideration whether it is necessary to continue to register mutations of proprietary rights in land. In case of urban property no such mutation is obligatory. For purposes of tax collection it is not necessary either. Whosoever cultivates a particular piece of land will pay the land revenue. The individuals themselves can keep a record of their own rights. This one step will reduce litigation and harassment. Litigation in areas having the system of payment of land revenue in kind was much less than what it is today in spite of settlement operations and the various land reforms which clearly lay down the rights and privileges of the peasantry. These should have helped in reducing litigation rather than increase it.

The senior revenue officers should invariably examine cases in which applications were not disposed of within the prescribed time limit. Against delinquent officers departmental proceedings should be initiated and punishment awarded. When this is ensured, there is little doubt that such applications would not remain pending for long and the irksomeness of the process of obtaining permission will to a large extent be reduced. In order to make the people aware of competent authority made responsible for various matters it would be helpful if arrangement is made to provide sufficient literature in simple Hindi containing information in regard to the competence of

various Revenue Officers in respect of revenue matters. It should be the function of the Panchayat Secretary to inform the village people about such delegation. The Panchayat Secretaries could for this purpose be in course of their training made conversant with it.

At the Tehsil level there is need to lay greater stress on field work. The grievances of the people in 80 to 90 per cent of the cases could be redressed by field inspections and frequent and well-planned tours. At the sub-divisional level besides case work (criminal & revenue) the main job should be inspection of work of land records staff.

In the public administration of this country the Collector has functioned not as an individual, but as an institution. People have all along considered him as a symbol of power and authority to whom they look for redress of their grievances. In him they found an authority, which would solve all their problems and needs. Actually this concept grew out of a historical background. During the course of British regime, much of the powers which were initially bestowed on the Collector were withdrawn but the Collector remained the pivot of district administration. He continued to remain the keyman. In the post-Independence era, when the emphasis shifted from the police state to the welfare state, the Collector became the District Development Officer, and continued to be the kingpin in district administration.

With a change in the pattern of administration by the introduction of democratic institutions at and below the district level, the Collector has to see that these institutions grow and flourish. In planning and execution of the programmes these institutions must become self-reliant, and receive full technical assistance and guidance from the concerned officers. He has, therefore, to ensure that the administrative machinery at all levels functions with redoubled energy to fulfil the basic objectives of the Plan. He has to ensure that public funds are spent for the purposes they are meant and the basic policies of the Plan are not changed; the programmes framed by these institutions have, therefore, to conform to the broad pattern of the Plan.

The democratic institutions have been given responsibility for pushing through the programmes of a welfare state in the field, but the state still remains responsible for these programmes. It is through the Collector that the State Government will, therefore, ensure that funds are distributed fairly on regional requirements. There is, therefore, need to arm the Collectors with necessary power.

The Collector should have some say in matters that affect the people; in fact his may be the final voice in matters such as demarcation of grazing land, demarcation of forest land, etc. He should have a much higher status in the eyes of the people than what he has been having during the past few years. The recent decision of the Rajasthan


Government to post selection grade Collectors in important districts is a pointer in that direction. For this purpose it is necessary that his hands are strengthened and the State Government and the Heads of Departments repose full confidence in what he does, so that the role of the co-ordinator of the various programmes at the district level could be adequately discharged.

#### CO-ORDINATION PLANNING AND DEVELOPMENT

With the enormous increase in the spheres of government activity and the introduction of democratic institutions at and below the district levels to push through the programme of economic and social improvement, it has become imperative that the quantum and quality of technical assistance steadily increases in the measure it is required. In a progressive society the importance of technical and scientific departments must increase. This does not, however, mean that co-ordination should cease; though it does create problems of relationship in the governmental organization particularly the relationship between the general administrator and the technical department. There is need to clearly define the role of technical departments in relation to the various development programmes *vis-a-vis* the local bodies entrusted with such programmes and the general administrator at the district level and above.

Co-ordination in policy can be achieved by making the Chief Secretary also the Secretary for Planning and Development. He should be able to co-ordinate the various programmes and allocate funds for them to achieve an agreed objective. The details of how and by what undertakings such objective could be achieved would have to be left to be determined by the department itself. For this purpose it may be of advantage even to have, in each department, a small organization for day-to-day assessment of the results that are being achieved in the various programmes taken up. It is then alone that the departments would come to their own.

There is also the need to enhance the importance and dignity of technical departments. The credit for good work should definitely go to the department and not to the co-ordinator of the programme. Similarly, failure of the technical department to achieve an agreed objective should be adequately dealt with. For this purpose the Panchayat and Development Department in the State should gradually but steadily assume an advisory role; ultimately its function being limited to a study of different aspects of development programmes and the way extension work is being done in the field; to conduct research and to evaluate different aspects of the working of democratic institutions.



## TRAINING IN COMMUNITY DEVELOPMENT

*S. N. Mozumdar*

A UNITED NATIONS document on Community Development says: "The main purpose of community development programme is to bring about social and economic improvements and to integrate the communities into the national life. This objective cannot be attained without bringing about changes in the behaviour, beliefs and attitudes of the members of the community and in their established network of relations. Such changes are not to be imposed from above but are to be effected through members. This demands the recognition of the presence of specially trained men in community development work."

It was ten years ago, in 1952, that a programme to train workers was initiated. Characteristically, the first session was held in Nilokheri. In the course of these years training has expanded to staggering proportions to meet the demand for trained workers. It has expanded with the expansion of the movement of Community Development and Panchayati Raj. The Ministry of Community Development, Panchayati Raj and Cooperation now runs a vast training programme under the guidance and control of the National Council of Study and Research in Community Development and Panchayati Raj.

A variety of training centres have been established for the different levels of workers. Training camps are run for short periods. Seminars, Sammelans and Workshops are used for imparting education in Community Development to yet others. Publications, deliberately educative, seek to continue training in the field and serve as refresher of training already received. Research and investigations undertaken at the apex institution, the National Institute of Community Development at Mussoorie, and in many universities, and investigations sponsored by the Institute and carried out by other training centres of community development seek constantly to study recurring problems, the impact of the programmes of community development and the reactions they evoke, and thus indicate fresh lines of movement and approach. In other words, an attempt is made to keep the Community Development programme ever fresh and to enable it to move with the times and correct itself by evaluating results of these studies. The National Council has a Standing Committee with the Minister at its head, and works through three functional committees.

One looks after the National Institute of Community Development, the other after Panchayati Raj training centres, and the third after training of women and youth workers.

There are many categories of training institutions. At the top is the National Institute in Mussoorie. It is a centre for orientation and study for the highest level of officials and non-officials. Members of Parliament and State legislatures, district and divisional officers of general administration and technical departments and heads of Zila Parishads are amongst those who take a one-month course here. It has a Principal who is assisted in the Research Division by a Director of Research. While the Principals so far have been administrative officers of high calibre and wide experience, the Director of Research as the name suggests is chosen for his eminence in the academic world with considerable research in social sciences to his credit. The course comprises lectures both by staff members and by eminent scholars and men connected with public affairs invited as guests. Syndicate studies, with guided reading, discussions, the opportunities offered by an excellent library and corporate living make the course attractive to those interested in spending a month in further preparation in the understanding of community development and for work in the field.

For the Block Development Officers, Extension Officers and others of corresponding rank like Panchayat Officers and those with commensurate duties, and non-officials of the same levels there are ten Orientation and Study Centres and 12 Social Education Organizers' Training Centres, spread over the country conveniently placed for serving those who come from the neighbouring areas. In addition, there is a Tribal Orientation and Study Centre at Ranchi to give orientation and training in tribal life and culture to Block Development Officers, social education organizers, mukhya sevikas and Extension Officers (agriculture) who work in tribal development blocks. The Orientation and Study Centres are administered by the Ministry of Community Development, Panchayati Raj and Cooperation, while the Social Education Organizers' Training Centres are mostly run by non-official organizations but wholly financed by the Ministry which also provides guidance. Two Social Education Organizers' Training Centres are run through State Governments with entire financial assistance from the Ministry.

An attempt is made at these Centres to give the trainees the rural bias and knowledge of supporting sciences. Thus, rural economics, sociology, technique of extension, social education, planning of programme and such like figure in this course along with a close picture of community development. The Block Development Officer in this course further receives job training directed specifically to the duties

and responsibilities he has to shoulder in his rather comprehensive field of work. This job training can be likened to apprenticeship in a factory. It is a very important part of training for a wide variety of functionaries.

There are in our country very large areas inhabited by tribal people. Accordingly, the field staff working in these areas receive special training in tribal life and culture at the Tribal Orientation and Study Centre in Ranchi. The State Governments have also been requested to arrange for suitable training of gram sevaks and sevikas of the tribal blocks at selected Gram Sevak Training Centres.

Mention may be made here of training given to extension officers attached to blocks in industries, co-operatives, and health. For industries, training is in two parts: One of four months' duration at the Small Industries Service Institutes run by the Ministry of Commerce and Industry located at Madras, Calcutta and Hyderabad and the second part is handled by the Khadi Gramodyog Vidyalayas run by the All-India Khadi and Village Industries Commission and covers a period of eight months.

In co-operatives, training extends over 11 months in 13 training centres run by the National Co-operative Union of India.

There are Primary Health Centres all over the country and more are coming into existence. At each centre one Doctor, one Woman Health Visitor, two Midwives and one Sanitary Inspector comprise the staff. This staff receive an orientation training of eight weeks at three Training Centres at Poonamallee in Madras, Singur in West Bengal, and Najafgarh near Delhi. These Centres are financed by the Ministry of Health.

It did not take long to discover that teaching was an art and, as in the normal educational sphere, the instructors at the Training Centres too must learn the art of teaching. All are not born teachers, and the subjects taught called for special treatment in the class rooms and in the field and in specific ways of communication. Accordingly, the institution in Rajpur in Dehra Dun was established and named the Trainers' Training Centre.

Staffing the training centres has presented difficulties. The trainers must not only have an academic background of fairly high standard but combine with it good experience of field work. A happy combination is not easy to find. What the Trainers' Training Institute seeks to perform is to discover talent in the training centres and help in producing the amalgam. While the principles and philosophy of community development receive attention in this course, stress is laid on methods and means of communication. Techniques of extension

and use of audio-visual aids also figure prominently. This Institute now functions as a wing of the National Institute of Community Development.

Next in the rung of the training ladder is perhaps the most important one for the gram sevaks and gram sevikas, humble workers, who work at the grass roots. On them rests the pyramid of community development work in the official hierarchy. The duration of training for the gram sevak is two years. In the main he receives a good training in agriculture and in extension along with such other peripheral subjects as are required to build him into a multi-purpose field worker. He is the local representative, generally in a group of seven to ten villages, of all the governmental agencies working in the field and must therefore have an understanding of the subjects with which they deal. The gram sevika has a shorter period of training, covering nine months.

Heading the women's section in community development in the blocks is the mukhya sevika. To train the mukhya sevikas there are ten training centres with a total capacity of 410. Over 3,000 have still to receive training. The gram sevikas are trained in 44 training centres and more are proposed to be established. Under this category too there are large numbers, over 5,000, still to be trained.

The magnitude of the training programme can be partially judged by the fact that 5,225 each of extension officers in agriculture, animal husbandry, industries, co-operation, panchayat, social education, women and children's programme, and rural engineering have to be trained. Large numbers out of these have still to receive training. The number of gram sevaks needed is 53,000. The number of mukhya sevikas is 5,225, of gram sevikas 10,450, of health visitors 15,765.

But this is only one side of the picture. Democracy is not identified by government staff. Panchayati Raj has decentralized governmental power. Several bodies have been formed in tiers. At each level there is need to train the functionaries.

The number of such functionaries is staggering. Beginning at the bottom the members of panchayats number two million, the Sarpanches and Upsarpanches 2,20,000. Secretaries of panchayats who will be the executives of these bodies will number 1,50,000. Next come the panchayat samitis whose members will be 2,00,000. The number of their Pradhans is 5,225. The number of Pramukhs who are the heads of Zila Parishads is 300 with an equal number of pramukhs. These numbers are directly related to these bodies of local self-government. To assist these organizations and to make democracy truly a people's raj, large numbers of men and women must be



associated with formulating the programmes of work and their execution. Their numbers will also run into hundreds of thousands. For instance, there is no ceiling for the number of gram sahayaks who are called voluntary village leaders.

In the field of women too there is need for a counterpart of gram sahayaks. These associated workers, as they are called, are trained in the States in short or long duration camps ranging from three days to one month and their number so trained now exceeds 2,50,000. It is planned that those who receive a month's training will assume responsibilities of running mahila mandals. With a view to orienting the school teachers in Community Development as a part of their regular pedagogic training, a training programme of orientation to the teacher-educators in a month's course is being run at the Social Education Organizers' Training Centres. So far 900 teacher-educators have been trained.

Community Development organization has valiantly assumed the stupendous task of training these numbers. The main objective is to train them in the principles of democracy, and in the concept of Panchayati Raj. The subsidiary subjects are orientation in respect of the role of officials in the new democratic set-up of voluntary organizations and associate bodies, and of the position of each organization in the new hierarchy, in other words, the relationship between the panchayat bodies at the various levels.

Initially, the State Governments organized short-period seminars of two to six days for the Panches and Sarpanches. Now a large number of training centres are being established. Their number today is 60 and will further increase. The Panches and Sarpanches will go through a syllabus based on the recommendation of a committee headed by Balvantray Mehta. Arrangements have been made for training the instructors of Panchayati Raj Training Centres at the Central Institute of Training and Research in Panchayati Raj in New Delhi run under the auspices of the All-India Panchayat Parishad with full financial assistance from the Ministry of Community Development, Panchayati Raj and Co-operation. The duration of the course is 45 days. So far four courses have been organized at this Centre in which 121 instructors from different States have been trained. For the panchayat secretaries, a training course covering three months has been arranged at 48 centres. Training of gram sahayaks is given at specially organized camps and the subjects are agriculture, panchayat and co-operation and lasts over three days. It will surprise many to learn that nearly four million have already attended these camps. Higher training in agriculture and allied subjects is also imparted to selected gram sahayaks having attended the

short duration three days' camps. This training is arranged at the Gram Sevaks' Training Centres for a period of two weeks under the scheme sanctioned by the Ministry of Food and Agriculture at the instance of the Ministry of Community Development and Panchayati Raj and Co-operation.


The role of youth and women in the development of the country so long had not received the attention it deserved. Sporadic attempts to organize them have been made, but it is only now that a systematic attempt at training the youth to assume leadership has been undertaken. With the ceiling of one youth worker for each village level worker the number to be trained is 52,000. At the moment a scheme to train 20,000 youth workers is operating. Training is given in organized camps. A programme and plan of action was devised at a camp of representatives of States and voluntary organizations interested in youth activities, Ministries of Food and Agriculture, Education, and Defence, United States Agency for International Development Mission, and the Ford Foundation. This was followed by camps organized in the States. So far 19 such camps have been held to train organizers of the training programme. Having thus obtained trained manpower, the third phase of the scheme has come into operation. Youth workers are being trained in camps lasting over 12 days. Nearly four thousand workers have been trained. The work of organizing the youth has begun in a systematic way in recreational programmes, in developing their creative urge through song, dance, and drama, in occupational interests like agriculture, handicrafts, and the like.

An applied nutrition programme is being taken up in the States to improve the food habits of the rural population in collaboration with UNICEF, WHO and FAO. With a view to implementing the programme on the right lines and more effectively, arrangements are being made to give suitable training to all functionaries, officials as well as non-officials, at various levels, in the fundamentals of applied nutrition with the assistance of UNICEF.

Ten States have provided for representation of women in the panchayats, 14 States in the Panchayat Samitis, and nine in the Zila Parishads. In addition, a few States have prescribed functional sub-committees in Panchayat Samitis exclusively for work among women and children. It has now been decided to make a beginning with the training of women members of Panchayat Samitis and Zila Parishads. The training will be imparted at the Panchayati Raj Training Centres.

The aim of Community Development is to change the structure of our society much beyond the scope which was known not long ago as rural reconstruction. The aim is to orientate the mind of our

people through education and by extending local self-government to the village level. While Panchayati Raj will be a lesson in the principle of self-government in the field of action, the vast training programme is designed to adequately equip the people to assume responsibilities of citizenship in a democracy. It is appropriate to remind ourselves of what the Prime Minister said not so long ago—"If the Community Development movement which aims at changing the whole structure of our society, of our thinking and of our actions, ever fails in achieving its objective, it will not be for lack of money but for lack of trained personnel. Training is necessary in whatever field of activity one may be engaged."



"The popular notion that bureaucrats are desk-bound was dispelled by the discovery that over \$12 million is paid annually to public carriers to transport civilian employees travelling on public business. In addition, excluding the Canadian National Railways, Trans-Canada Air Lines and the Polymer Corporation, the civilian departments and agencies operate more than 8,300 motor vehicles, 600 watercraft and 72 aircraft. The Department of Agriculture alone consumes over one million gallons of gasoline annually.

"Government and paper seem to go together. More than 1,00,000 different forms were identified and an additional 1,00,000 are believed to exist. About 50 million letters are written each year and over five million cheques are issued each month. The inactive files of the government occupy an estimated 200 miles of shelving, one third of it in the Public Records Centre in Ottawa. Enough library material to fill ten miles of shelving is being acquired each year."

First Report of the Royal Commission  
on Government Organisation—Canada

## A UNIFIED CIVIL SERVICE?\*

*S. Banerji*

### INTRODUCTORY

NO form of organisation of the public services in any State can be fully effective if it remains entirely static and inflexible; it has to be adjusted from time to time to fulfil new and changing needs. The assumption of wide responsibilities by the State in India in the sphere of economic and social planning lends special urgency and importance to this matter in her case. It is therefore understandable that concern should often be expressed for re-organising the public services in a manner likely to make them a more suitable agency to meet new needs than they are at present. Even in the advanced countries of the West, the need for a periodical re-assessment and re-organisation of the structure of public services has been almost universally and constantly felt. The well-organised civil services of the United Kingdom, set up in 1854 on the basis of the Trevelyan-Northcote Report, have been subjected throughout the century which followed to periodical reviews and re-organisation. Even in the United States, with a lesser reliance on well-organised career civil services in the higher echelons of public administration than in Britain or India, the monumental works of the Hoover Commission have matched reports of the British Royal Commissions in their width of scope and concern for bringing the civil services in line with growing public needs. Other countries like France have had to undertake similar reviews of their respective administrative structures and to make periodic changes in the organisation of their civil services, their recruitment, training and conditions of service.

### THE ISSUE OUTLINED

In India also, the question of re-organisation of the civil services has engaged repeated attention, particularly since Independence. It raises many questions but only a couple of them are intended to be discussed in this article. Both are essentially allied in nature and concern only what are generally referred to as the higher civil services. One relates to a key feature of the present administrative system, namely the so-called 'elite' character of the Civil Service in India and the

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\*Edited by the author from a paper written by him at the Littauer Center, University of Harvard, in 1962, under the guidance of Prof. Fainsod.

wide and rather diverse use made of the 'generalist' belonging to these services to man important administrative and policy-making posts at all levels of government. The other raises the question of 'relativity' of this elite corps with the other higher civil services of the Central Government, and of the possibility of integrating the former with these other civil services into a 'unified' service. Suggestions to the effect that the time had come to do away with the 'pre-eminent' character of the Administrative Service and to have a 'unified' higher civil service in the country, have been made in India from time to time, among the notable persons to advance the view being A.K. Chanda.<sup>1</sup>

Views on these two issues have tended to vary. The questions which arise have got rather deeply involved in the old and familiar controversy of the 'expert' versus the 'generalist' which ranges to this day in Britain and elsewhere, and has arisen often in India. The 'bias' in favour of the 'generalist' acquired from the British who have a deep-rooted cultural and emotional attachment to the lay 'gentleman' with a 'sound mind', has no doubt been strengthened in India by two factors—the prestige and importance of the District Officer in the administrative set-up of the country, and the predominance of the generalist Civil Service in all key policy-making and executive posts, with now a fair share even of 'managerial' posts. There are many who think that this die-hard faith in a 'generalist' all-purpose civil service comes in the way of a rational readjustment of the administrative machinery to the fast growing demands of an industrial and development State, and that it provides a certain resistance not only to the broadbasing of the old and exclusive civil service, but even to the education and training of its members in the more complex and considerably specialised task of public administration today. It is argued that the heavily entrenched position of the generalist civil service is a hindrance to the technical and other experts being assigned their proper place in this age of technology and science. On the other side it is contended that there is often a tendency to overreach the proper place of the expert or the specialist and to suggest in ill-considered and general terms that only a wholesale replacement of 'generalists' by 'specialists' will serve the new needs. More specifically, two complaints are made by this latter school of belief. One is that in making generalisations as regards the respective positions of the 'expert' and the 'generalist' administrative services, many non-technical services like the Audit and Accounts, Revenue or Postal, are allowed to ride the band-wagon of the 'experts' in the name of specialisation.

1. A.K. Chanda, *Indian Administration*, George Allen and Unwin L.H., London, pp. 110-14.

The other is that in making out a perfectly legitimate case for according to 'specialists' treatment in terms of status and remuneration which would be appropriate to their unquestioned and growing importance in the modern technical age, a suggestion of doubtful validity is made that they should occupy the key administrative and policy-making posts at present held by the 'generalist' civil service.

#### THE CASE FOR A 'UNIFIED' CIVIL SERVICE

The case in favour of a unified civil service relies for precedent on the pattern of services existing in Britain and a reform of the same nature adopted after the War in the forties in France. Interestingly enough, in Pakistan also the suggestion that there should be a unified civil service has been made from time to time.<sup>2</sup> One common general point taken against the present system is that an administrative organisation inherited from a colonial power, interested essentially in ruling a subject country and devoted largely to negative functions of State like the maintenance of law and order, must need be changed with the attainment of Independence, and more particularly with the adoption of a policy of planned social and economic development. Chanda's arguments in favour of a unified civil service run as follows:

"...it is generally recognised that the inherited organisation is neither adequate nor appropriate for fulfilling the needs of a government which has a fundamentally different character and ideology from the previous administration. In the past, the state had hardly any social objectives and its machinery of government was primarily intended for the maintenance of law and order ... Without a major readjustment of the machinery and a re-organisation of the superior services to foster the growth of the feeling that all officers are equally responsible for the administration of the country, it would be difficult, if not impossible, to secure the fulfilment of the purposes of the state."<sup>3</sup>

In brief, the argument is that in the changed set-up of things, the primacy and pre-eminence of the law and order functionary should cease to be the dominant feature of administration that it is, and members of all the Central (non-technical) Services should now be treated on an equal and unified basis. The existing Service distinctions should be eliminated because they breed class-consciousness or 'a superiority complex'. By a comprehensive integration of all the superior services, Chanda thinks, "it will be possible to

2. Reported recommendation of the Cornelius Commission. Also see *First Five Year Plan of Pakistan*.

3. A. K. Chanda, *op. cit.*, p. 99.

ensure the utilisation of the best available talent in the higher and more responsible assignments unhampered by existing service restrictions. ...The present disparities are a constant irritant to service personnel and act as a deterrent in the development of efficiency in administration which a contented service alone can bring."<sup>4</sup> The authors of the Pak First Plan had evidently the same psychological problems in mind when they wrote: "The existence of so many services of a general character as distinct entities divides the total general work of the government into watertight compartments, militates against the pooling of administrative resources, encourages class-consciousness and mutual jealousy, creates conflicts in many common areas of administration and prevents the maximum utilisation of talents in accordance with aptitudes and emotional pulls, to mention only a few of the evils resulting from it."<sup>5</sup>

These references highlight very important and genuine problems, which call for imaginative and realistic solution. They bring to mind familiar precedents. Over a century ago, the Northcote-Trevelyan Committee, which brought into existence the unified civil service of Britain, had said "...each man's experience, interests, hopes and fears are limited to the special branch of the Service in which he is himself engaged. The effect naturally is to cramp the energies of the whole body, to the growth of narrow views and departmental prejudices."<sup>6</sup>

The problem is not merely the important psychological one of contentment of the superior services through equal treatment, and the elimination of the present 'irritants', 'class-consciousness' and the other complexes which vitiate harmony; the problems are even more fundamental. At present the I.A.S. in India enjoys a slightly preferential treatment in the matter of remuneration and the holding of superior administrative and policy-making posts. All the other Central (Class I) Services have a common scale of pay, slightly less than that of the I.A.S. The prospects of promotion to 'super-time scales' of pay vary considerably from service to service, depending on the nature of each department and its functions. This present arrangement of having fragmentary and disintegrated services, it is argued, gives rise to departmentalism and lack of co-ordination in administration; the problem is heightened by the existence of service distinctions and barriers. It leads to the gathering of narrowly compartmented experience by members of each service. Recruitment in India to the all-India and Class I Central (non-technical) Services is

4. *Ibid.*, p. 114.

5. *First Five Year Plan of Pakistan*, Chapter 6.

6. Northcote-Trevelyan Committee Report on the British Civil Service.

made by means of a common all-India competitive examination. The placement of successful candidates in various departmental services is made largely on such factors as the rank of a candidate at the examination and the ill-considered preference expressed by a fresh and immature college graduate; until recently, the allocations used to be made in accordance with a cyclical order. In other words, allotments are made without regard to real aptitudes, temperament or special capacity. It is further contended that the rigidities of the service structures virtually bar any lateral movements after initial entry into service which could enable a rational re-allocation in the light of such aptitudes and talents as might be displayed after a period of actual service. Proficiency at the entrance examination, with all the elements of chance that play a part in determining it, tend to seal the fate, as it were, in the matter of prospects and promotions and there is no provision at present, either in India or Pakistan, for the transfer of bright administrative talent, if located in any of the other services, to the Administrative or the Civil Service which is accorded preferential treatment.

Another line of argument which is sometimes advanced in support of the proposal derives itself from the changes in the constitutional structure. It arose in India as early as the thirties when provincial autonomy was introduced; and again after Independence with the adoption of a federal constitution. The point taken is that with a clear demarcation of Central and State responsibilities, it is no longer necessary to provide for a flow of administrative officers to the Central Services or to the Central Secretariat, and the latter should meet its requirements by having a unified higher Civil Service structure of its own, divided vertically but unified horizontally at the top. This would eliminate, as Chanda says, the present "lack of symmetry and mobility". By suitable adjustments in the training programme, it is suggested, a single Service could be made multipurpose to fulfil diverse responsibilities and functions.

Chanda appeared to be averse to any new 'elite-corps', even if it be with its doors open to more sources than the privileged few of the past. He stands for democratisation as well as unification. He would seem to recognise that a system of interchange and rotation among the services will necessarily have to be limited. According to him, any scheme of re-organisation should provide the following: (a) the importing into policy-making ranks of the Central Secretariat of officers with experience of district or field administration; (b) providing to members of the Central Class I Services some experience of district administration to broaden their vision and widen their experience; (c) the absorption of specially suitable administrative talent, from whatever service, into the Secretariat and executive



departments on posts now held mostly by the general civil service officers, without regard for service barriers; and (d) the allocation of candidates to departmental branches within the proposed unified service on a more rational basis than at present, somewhat on the French pattern, i.e., after an adequate and leisurely test of aptitudes and talents.

In 1945, France, where the administrative set-up in the field resembles the Indian system more closely than does the one in Britain, took the step of integrating the formerly distinct and separate services working under each Grand Corps, into a single service organisation on the British pattern but trained and equipped differently to undertake wider functions and responsibilities. The feature of this re-organisation particularly commended, both in Chanda's proposals and in the Pak Plan, is the arrangement of allocating a young recruit to a particular line within the common service only after the expiry of about two of the three-year training course during which, apart from general education and training for the public services, he is given field tasks which test his special abilities as well as shortcomings.

Any re-organisation that is undertaken must necessarily keep in view primarily the requirements of the public posts which the services are required to man, and the need for efficiency as well as unity in administration.

#### THE 'SPECIALISTS' DISTINGUISHED

Generally, when the question of 'generalists' versus 'specialists' is discussed, there is at least an unconscious tendency to put the 'generalist' on one side of the fence and all the other services, technical as well as non-technical, in one common category to represent 'specialist'. It will, however, be readily conceded that the technical services—such as, engineering, medical, scientific or economic—belong to an entirely different class from the non-technical (though uni-functional) services like the Audit and Accounts, Income-Tax, Central Excise or Postal Services. Chanda, while recognising the distinction, would seem inclined to invest the latter with a substantial 'specialist' status: "Though the services responsible for audit, income-tax, or excise, do not require any scientific or technical knowledge, work even in these fields requires specialisation which can be acquired only through a certain length of service and experience in these departments. The need for specialisation increases as the work of government grows more complex."<sup>7</sup>

7. A. K. Chanda, *op. cit.*, p. 113.

Some of this description will, indeed, apply as much to the so-called 'generalist' civil or administrative service. The more numerous and diverse the functions of a service, the less no doubt the possibility of much specialisation. But it can sometimes be overlooked that the functions, for instance of a District Officer typical of the generalist's public assignments, are not really those that the completely uninitiated, unfamiliar one may hope to discharge with ease; neither the administration of criminal or revenue law, nor that of development in the field, nor even the seemingly 'amateur' task of large-scale public dealings in either of these two dissimilar spheres, is a task which a man with any kind of experience whatever may just 'walk into'. To assume that the 'generalist' can be such an 'ignoramus' of his specific though diverse responsibilities, or that neither familiarity with the functions nor experience of the job is required in his case, will be an oversimplification of his duties.

The 'specialist' versus 'non-specialist' controversy does give rise to a common impression that the so-called 'generalist' is really a dilettante amateur with little that is required of him by way of special ability or knowledge, or anything like a professional experience of his line, besides his chance performance at the entrance examination. Partly, it is the diversity and nature of his functions which make for this impression. Partly, the impression has gained ground on account of a myth in the building of which many parties have a hand, including Civil Servants themselves, namely, the myth of an absolutely amateur 'miracle-man' who can handle any job with distinction by dint only of his intrinsic ability and 'sound mind'. This has often conveyed the mistaken impression that the 'generalist' lays no claim to any special ability which is relatable to his specific sphere of duties or his experience. In truth, there are special skills of a generalist administrator which commonly escape reckoning because, as Eric Ashby says, "these skills, despite the striving of academic departments which teach administration, have not been reduced to order and codified in text-books."<sup>8</sup> Whether in a law and order or other situation of emergency, or in the matter of man-management and public relations and whether this be with non-officials or teams of experts and departmental officers among whom he is required to bring about co-ordination—all such situations, typical of the tasks confronting a generalist administrator call for on his part the qualities of prompt and sound decision-making, tact, imagination, initiative, organisation and leadership, and other personal qualities which have to be systematically cultivated. As Appleby puts it, the qualities required of the generalist administrator

8. Eric Ashby, *The Administrator*, Daedalus, Spring 1962.

"do not coincide with academic disciplines or with governmental functional specialisations."<sup>9</sup> Administration being an uncodified art, the only sure way of learning it is to administer. That these reflect a set of 'general' qualities does not take away from the fact that they represent skills of a special kind which administrative experience and indeed talent alone can provide. As Wilmerding says, an administrator "is a specialist but not in the limited field of a profession or a science. His speciality is method, rather than subject matter. He is a coordinator of knowledge, rather than a researcher into the minor recesses of one of its branches."<sup>10</sup> He has to rely upon more than commonsense, judgment and the pristine understanding of a layman. As the First Pak Plan recognised, "his proficiency in the dynamics of human relations and his gift of objective appraisal of situations correspond to the special knowledge and skill of the technician."<sup>11</sup>

However, the main point here is that hardly any of the non-technical civil services in question can be grouped with the specialist services in the technical and scientific field, in which the period of active service has to be preceded by a prolonged and intensive training in the particular discipline or profession in question; and the major part of one's life is spent in acquiring an intimate expertise of the particular field of activity. The technical and scientific personnel constitute a relatively new and fast expanding class of public servants with an unquestionably crucial part to play in the process of economic and social development which today has become the primary concern of governments in the underdeveloped countries. It will hardly be fair to them, however, if one were to band them and the non-technical services together in determining how they should fit into the administration.

Quite clearly, in the modern age of technology and science the expert belonging to these disciplines must find an increasingly important position in society. This is an universal secular trend, much to be welcomed. How best this adjustment should be made in the administrative structure of the country is an important question. It is, however, not proposed to go into it in this article, except for its bearing on the main subject-matter, namely, the relationship between the 'generalist' civil service and the other parallel non-technical Central superior services, and the desirability of integrating them all into a unified civil service.

9. Paul H. Appleby: "Meeting Future Personnel Needs", *The Indian Journal of Public Administration*, Jan.-March, 1956, p. 11.

10. Lucius Wilmerding, *Government by Merit*, p. 33.

11. *First Five Year Plan of Pakistan*, Chapter 6.

## THE CASE FOR AN 'ELITE' CORPS OF GENERALISTS

The case against an 'elite' corps of generalists has more often than not proceeded from a concern for some of the psychological problems of 'relativity' which arise from its existence, and from an ideological and sentimental dislike of its somewhat exclusive character in India, influenced as impressions no doubt are by the historical association of the old Indian Civil Service with the coercive apparatus of colonial British rule. But the problem arises in a similar form in Britain as between the Administrative Class and the Executive Class which has been described very well in these words by Gladden: "The specially brilliant top *we* are of a different clay from the lowlier *they*. The *we* are too sure of their superiority to be arrogant, but they can hardly help showing this superiority even when their condescension is masked with the charm that long established members of the Administrative Class almost invariably cultivate. . . . Members of senior grades outside the Administrative Class, who have worked in headquarter offices will appreciate how this almost indefinable difference so clearly exists as to weigh upon their souls. They are made to feel in subtle ways that they do not belong to the inner circle."<sup>12</sup>

Many in India and Pakistan would be prepared to level similar charges against some of the Civil Service members, partly because complexes of this character may be persisting in some quarters as a heritage of the past, but partly no doubt because of the heritage itself which makes these old Civil Servants suspect and leads to their admitted ability and self-confidence being mistaken for a desire to dominate or assert their superiority. Clearly, this is a transitory phase and it is unlikely that the remaining or new members of this generalist corps will show a disregard of the sensitivities of others, or display lack of appreciation for the fact that public administration is increasingly becoming a co-operative venture in which all services must play their own important part, more specially the technical and scientific services which provide indispensable expertise to administration in their special fields.

Many of the psychological problems could indeed be solved if it were possible to do away with the elite character of the civil service. In considering this matter, let us first take the instance of the District Officer in India and Pakistan. It has hardly ever been proposed that either the technical services or any of the other non-technical services should provide officers to run the administration of districts. Even those who have suggested that the present exclusive character of

12. E.N. Gladden : *Civil Service or Bureaucracy*, Staples Press Ltd., London, pp. 167-68.

the generalist civil service should be changed by throwing its ranks open to suitable administrative talent from any other source, have talked in terms of Secretariat posts, executive assignments in the Departments or managerial assignments in the public enterprises. They have recommended a leaven of field experience in the districts for officers belonging to non-technical services of the Centre but seldom suggested that the posts of District Officer should cease to be held primarily by members of the present administrative service for whom it continues to be regarded what is sometimes referred to as the 'parent' line. The importance of district administration in today's development State is recognised to be no less great than in the former 'law and order' State. On this point even the critics of the present elite corps are agreed. Chanda recognised the importance of this 'primary unit of administration' and would insist on the live experience of this level of government being imported into the highest counsels of policy-making.

Prime Minister Nehru lays the same stress on the live character of field experience in the districts thus: "Inevitably, administration... especially in secretariats and the like, is apt to become cut off from the human side. It is not cut off if you are a District Magistrate; you have to deal with the human side all the time—in a dynamic and moving society where you have to move and move along with masses of people, it is very important to have the human approach."<sup>13</sup> In the same address he drew attention to the difficulty of giving this type of public administration an academic or professional code, when he said, "I do not know how any school can teach you the human approach."

No school indeed can; and this particular expertise of administering a district, with all its problems of dealing with the live, day-to-day problems of the people of a district whether in the stresses and strains of an emergency or in the dynamism of execution of social and economic planning, can be acquired only from actual doing from the early and young days of a generalist, for whom this task of dealing with a diversity of problems in the realistic and fast moving scene of a district becomes a matter of life-time's principal career. His is not a sphere in which intensive and intimate acquaintance with a specific technical or professional field, coupled with knowledge academically acquired, can be of avail; there are no set prescriptions and no codified textbooks or departmental regulations to provide all the answers. In dealing with a law and order or other emergent situation, decisions have to be taken on the spot and promptly; instinctive judgment, tact and discretion have often more part to play than intimate knowledge

13. Prime Minister's address at the Annual Meeting, *The Indian Journal of Public Administration*, Vol. VI, p.336-37.

of the laws. In the execution of development schemes much less is required of intimate acquaintance with the specific expertise of the canal engineer, the agriculture scientist, the animal husbandry expert or the engineer concerned with road-building; his own task consists of co-ordination and unified execution, for he alone among all the development officers has the opportunity to see the process and effect of development in its totality, which the unifunctional preoccupation and responsibility of the different experts prevents them from doing. His assessment of what is politically viable, not in the partisan sense but in the larger sense of what public reaction or response is going to be, must by virtue alike of his functions, experience and touch with the people and their total welfare, be superior to what any individual departmental functionary can hope to achieve. In most of his functions, his task is the increasingly important one of inter-departmental co-ordination—co-ordination between departments of the State Government, and again between these agencies of the Government on the one hand and the representatives of the people on the other. To this day, the District Officer in India continues to be the principal official contact, on the spot and from day to day, between the Government and the people, whatever the branch of administration that may be involved in the live issues of the day. The growing range and complexity of the State's responsibilities, and the proliferation of public departments, has not made any change in this position; if anything, it has brought the District Officer even more closely in touch with the people, symbolising in him the essential unity of administration. The absence, as yet, of very effective institutions of democratic local self-government at the district level, unlike Britain or other advanced countries, makes his responsibilities even greater; indeed, he is required to lend a helping hand in the evolution of such institutions which have today rightly acquired wide interest.

These functions are clearly not the domain of any public servant, however able, whose training and experience has been confined to much less diverse fields of work and much less involved with wide public relations. In the olden days, this task was facilitated greatly by the enormous power and support of the foreign rulers which the civil service enjoyed; although their public contacts were fairly wide on account of their functions, they were not as wide as they are now. A District Officer has today to perform himself in the more intense limelight of public opinion and gaze than before, and has to place much greater reliance on his personal qualities of man-management and public relations than the hidden weight of his considerable legal powers. Hardly any department perhaps gets as deeply involved in parliamentary, legislative or judicial scrutiny, from day to day, as

is true of the departments with which the District Officer is intimately connected.

On account of the diversity of functions, and the difficulty of codifying them in any formal academic or professional training, most of the experience has to be acquired on the job. Successful handling of these responsibilities presupposes a cadre of able officers who are placed in the higher district positions quite early in their career, so as to cultivate the qualities of leadership, initiative, prompt and practical decision-making, man-management and public relations, confidence, tact and discretion, by the actual handling of live administrative tasks requiring the application of these qualities; more often than not, the tasks involve urgency of decision. It is hardly possible to entrust these assignments to officers with experience of other departments whether audit, accounts, postal, railway or revenue, where the nature of their work and training is different. However specialised the work of any of these departments may be, it does not in its very nature, offer the requisite experience for the work of a district administration; nor does it provide occasion for the cultivation of these essential personal qualities which are associated with a District Officer.

There can be little doubt that the present elite character of the general civil service has much to do both with the quality of people it draws to it and the development of many of the personal qualities required. Anyone familiar with a District Officer's work will appreciate how leadership, and imaginative and tactful captaincy are among the more essential attributes of a good District Officer. His present specially important role, and a certain charisma and high prestige which attach to his job, are essential features which influence the mind and character of the young officer, and help to create a favourable setting in which to function in the eyes of the general public as well as the functionaries of other departments. The effectiveness of the institution must suffer if its present elite character were to be done away with and its identity merged in the general run of Central Services. If an 'unified' service was brought about, and all the Central Services were to assume absolute parity, it is not certain that the best administrative talent would still be attracted to this line of executive officers, which is far from 'soft' and 'cushy' and in which the hazards are greater than in the others. In spite of all the exterior evidence of 'pomp' and 'power', usually associated in unfamiliar minds with a district job, only those who have gone through the experience know the stress and strain of public service which it involves.

It is hardly necessary to state another difficulty in the case of India in integrating the services in the manner proposed. This is the constitutional one, that whereas the Administrative Service is an 'all-

India's service serving jointly the affairs of the Centre and the State and paid for and administered by both, the other services involved are purely Central Services, serving exclusively the affairs of the Centre.

Before parting with this section, it will be pertinent to take note of the findings of the last Central Pay Commission of India (1959) on the question of demand for parity between the emoluments of the Administrative (and the Foreign) Service on the one hand and the other Central Class I Services on the other. The demand arose mainly from the contention that all the services mentioned at present take a common competitive examination for entrance. Chanda too was sympathetic to the argument. The Pay Commission, however, found that the examinations for recruitment in the two cases were not quite identical, that the former services had to take tests of a higher standard, that the recruiting authorities looked for a "higher standard of personal qualifications" in their case, and that the Administrative Service did draw to it candidates of a perceptibly superior standard.<sup>14</sup>

#### THE TASK OF POLICY-MAKING

The claims of the generalist to his present somewhat predominant role are not seriously questioned so far as district administration is concerned; there he has few contenders, and the Central Services under discussion are not those among them. The spheres to which the controversy of the 'generalist' versus the 'specialist' mostly relates are two: one of policy-making posts in the Secretariat and the other of management of industrial, commercial and other business enterprises of the public sector. So far as the Secretariat is concerned, the controversy is an old one as to whether in the final formulation of public policy, the political executive should be advised by a permanent civil servant of the generalist field or directly by the expert or the specialist in charge of the department or agency. In Britain, this debate is of old standing and in spite of hot controversy over many decades, the country continues to rely largely upon the Administrative Class to perform the task. The recent Royal Commission on the British Civil Service (the Priestly Commission) talked of a 'Higher Civil Service' in which "specialist staff in the higher grades, though retaining specialist labels, will in practice shed many of their purely specialist activities and assume responsibilities which place them definitely in the policy making group".<sup>15</sup> And yet an analysis made around the year 1956 showed that as many as 94 out of 169 of the 'highest ranks' of the 'Higher Civil Service' were occupied by the

14. Pay Commission Report, 1957-59, Chapter XIII.

15. Royal Commission on the Civil Service 1953-55—The Priestley Commission pp. 85-86.



Administrative Class and they held by far the largest number of the remaining posts too.<sup>16</sup>

The bias in favour of the generalist civil service for this purpose is undoubtedly an inheritance from the British. But it is often overlooked that in India the British did not rely upon a largely centralised bureaucracy as in Britain but instead, upon a system of 'deputation' or 'rotation' of Civil Service officers drawn from the 'provincial cadres', who came to the Central and State Secretariats for limited 'tenure' of three to five years, bringing to the formulation of policy the background of practical field experience; and before that experience grew out of date or 'rusty', they went back to field assignments on 'reversion' to 'renew' it. In a country with continental dimensions, wide geographical, social, cultural and economic diversity, local government still in need of considerable official assistance, communications still far from fully developed and the bulk of citizenry still rural and in need of 'government on the spot', one has to be wary of facile comparisons with or analogies of instances like those of Britain or France while suggesting sweeping reforms.

The point is whether Independence has changed the situation. The answer has been effectively provided by Chanda himself. While suggesting a unified civil service he thinks that the exclusion of the administrative service from policy-making posts will be a retrograde step. He says, "Central policies to be vital and real, must be in touch with the people. This can be provided only by the administrative officers who have recently come from district administration." Elsewhere in his book, he observes, "An administrative officer, even in the early stages of his career, gets used to assuming responsibility in the wide and varied work of a district and is expected to bring a freshness of outlook, born of administrative experience, to the Central Secretariat."<sup>17</sup>

If the need for such administrative experience was felt at the policy-making level in the law and order State of British times, the need is greater still today with the State having assumed much wider responsibilities in the field not only of welfare but social and economic planning. The adoption of a federal constitution in India, coupled with the present centralisation of planning, made it imperative that the Central Government should have the benefit of a pool of diverse, practical experience of field administration brought to it by the 'deputationists' from the States, so that it can be closely advised as to the manner in which its development policies impinge upon

16. E.N. Gladden, *op. cit.*

17. A.K. Chanda, *op. cit.*, Chapter III, 2.

the lives of the people it serves. On the political plane, the task of advising the Ministers is performed by party organisations and elected legislators and parliamentarians; on the administrative plane, the function can be usefully discharged by the permanent civil servant who has the advantage of bringing to the counsels of policy-making diverse field experience continually refreshed and renewed, apart from the detachment and objectivity which non-involvement in politics make possible in the latter's case.

It is usual for civil servants of this generalist class to take such an 'interested' view. But they are not the only ones to think so. Rajagopalachari while emphasising the need for sound technical equipment, in the civil servants held the view that "The special equipment required for various jobs is no doubt indispensable. But experts cannot govern nor can they be safely allowed to govern. ...In administrative key positions, the special technical equipment that comes into play in those departments is strangely enough by no means the essential requirement."<sup>18</sup> N.V. Gadgil is even more emphatic: "We should have the general mind in preference to a specialised mind. ...What really is needed is not the knowledge in a detailed way but the right approach, the right perspective, ...The expert is well up in theories. His gaze is intensive but the horizon of his knowledge is limited. ...A general mind is far more important today when the entire character of the State is undergoing radical and revolutionary change".<sup>19</sup> Gadgil in the same address states some 'self-confessions' of a politician in power, and highlights the need for his judgment being subjected to a process of moderation at the hands of a general administrator with practical field experience: "Caution is not to be expected from the politician. The politician is always ready to outbid his rival. He must promise more than he can perform. In the emotional atmosphere before the Hastings discussion is jettisoned and a balanced view is considered as a hindrance. The administrator, in this context, the conscience of the community"<sup>20</sup> and has to act as the helpful 'corrective' and 'moderator'; he is better able to judge feasibility, and is not carried away by the current public opinion, so that policy is prevented from being divorced from facts, feasibility, knowledge and experience.

But cannot the expert or the specialist perform this task. In this age of growing specialisation due to rapid technological change, is the generalist still in a position to tender well-informed advice in

18. C. Rajagopalachari, "The Good Administrator", *The Indian Journal of Public Administration*, Vol. II, p. 2.

19. N.V. Gadgil, "The New Administrator", *The Indian Journal of Public Administration*, Vol. V, p. 49.

20. *Ibid*, p. 50.

preference to the expert who has the knowhow. If this cannot be done, without the expert, why interpose the generalist at all in policy-making. These are old and familiar questions so far as the Western world is concerned but are arising anew. Presumably, one of the factors responsible for this new interest in the question is the close American association with economic development in India and Pakistan which has pitted the American community's deep faith and bias in favour of the 'specialist' against the Indian inheritance of an equally ardent British bias in favour of the 'generalist'.

The closer the involvement of the modern State with economic and social development, the wider has been the proliferation of specialist classes in the public services. With scientific and technological advance, people have begun to 'know more and more about less and less'. The development of science in such fields as transport and communications, electronics, aeronautics, power and indeed weapons of war, together with the latest need for experts in the field of 'social and economic engineering', have all contributed, as Jalil Ahmed points out, to the growth of the tribe of public servants in the specialist field.<sup>21</sup> And yet, so far as policy, formulation goes, there is still at many places, certainly in Britain, India and Pakistan, a reliance on the general administrator. Most experts regard this relationship as an "unhappy shot gun marriage in which the bureaucrats have an arbitrary controlling position".<sup>22</sup> And this in spite of the fact that it is no longer possible to understand the complexities of any modern branch of society without the special aid of experts. Those who regard the present arrangement as unsatisfactory, hold that administration has "no reality beyond what is to be administered. It is a mere extension of the technical and scientific process. So only those who are thoroughly grounded in the technical aspects of the activity administered should be entrusted with policy formulation and administration."<sup>23</sup> Experts and their supporters deny that the intensive pre-occupation of an expert with a narrow field of activity comes in the way of sound administrative judgment. Sir Arthur Newsholme, who spent three decades of distinguished public service in the field of public health in Britain, said, "No self-respecting technician can accept the assumption which underlies much official procedure that the acquisition of long training of his specialist skill has deprived him of such commonsense and business judgment as he previously possessed."<sup>24</sup> The practice of channelling expert advice to the political executive through the lay generalist comes in for specially sharp criticism.

21. Jalil Ahmed, *The Expert and the Administration*, an unpublished thesis.

22. K. Price, *Government and Science*.

23. Jalil Ahmed, *op. cit.*

24. Arthur Newsholme, *The Last Thirty Years in Public Health*.

Lambert, Chairman of the British Professional Civil Servants' Association, complained that "the expert is not free to advise until called for by the administrator. The expert...was not expected to speak except when spoken to."<sup>25</sup> The Professional Civil Service Commission of 1929, in its evidence before the Royal Civil Service Commission of 1929, asked for removal of 'any interpolation' of administrative officials in "the transmission of professional advice".<sup>26</sup> Apart from the danger of expert advice being either deliberately distorted or unconsciously misrepresented through lack of expertise, they pointed out as the 'primary point' that the arrangement was "a means of lowering the value and status of the professional person and thereby demeaning the whole profession and the service." Experts also complain of interference by general administrators in the internal working of specialist departments in matters which fall within the field of the specialist.

Equally strong arguments are advanced on the opposite side. There are cynics who hold the expert and the administrator both to be lacking in the right balance, by describing the expert as one who knows more and more about less and less, until he knows everything about nothing; and a generalist, on the other hand, as one who knows less and less about more and more, until he ends up by knowing nothing about everything. This witticism seeks to draw the fundamental distinction between the two minds—one which, with growing specialisation is coming to be concerned with a narrower and narrower province of work of administration, and the other which, for the same reason, is being increasingly called upon to assist in the synthesis and integration of various elements of public policy concerning this splintering of the field of government. As Proctor Thomson puts it, "the other side of the coin of specialisation is interdependence, and interdependence creates the problem of co-ordination. Within the organisation, co-ordination demands administration."<sup>27</sup> The burdens of co-ordination grow in a geometrical proportion to the growth and proliferation of administration under the impact of scientific and technological change on the one hand and organised economic development on the other. The uninhibited pursuit of specialisation imposes heavy burdens on society. Size and specialisation within the organisation, create a social order of tenuous mutual interdependence subject to periodic breakdowns when its connections do not connect; "the smaller is the portion of the whole created by each of the parts, the greater is the

25. L.A.C. Lambert, "Expert in the Civil Service", *Public Administration*, Spring 1944.

26. Royal Civil Service Commission Report, 1929, para 87.

27. Proctor Thomson, *Essays in Federalism, Size and Effectiveness in the federal system* (a U.S. Publication).

need for external co-ordination, and the more magnified is the opportunity for disaster when they fail to work together."<sup>28</sup> As Appleby says, "As the fruits of analysis multiply, the task of synthesis becomes more and more difficult and challenging."<sup>29</sup> Therefore, he says elsewhere, "As the increase in technical character of governmental activities develops, the need for generalist personnel who can sensibly relate different aspects of matters will increase, both in importance and in numbers at a geometric ratio. The great virtue of generalist competence found in the old I.C.S., in the new I.A.S., and in the British 'administrative class' needs to be made stronger and deeper in years ahead."<sup>30</sup> Unfortunately, the generalist versus specialist debate has tended to put the two in mutually exclusive and antithetical positions so that one frequently comes by suggestions to the effect that with increasing specialisation the simple change required is the substitution of the generalist by the expert. Their complementary roles are often not fully appreciated.

One finds cogent and convincing reasons advanced why as a general rule an expert is less well-equipped than the general administrator in this task of co-ordination and synthesis which public policy requires. Apart from the intimate and diverse experience of field administration which the generalist brings to bear on policy formulation, as Chanda agrees, "the need for specialisation increases as the work of government grows more complex. Nevertheless, in the higher levels of even the departmental organisations, general administrative experience, a wider outlook and a commonsense approach are more important than mere specialised knowledge".<sup>31</sup> Because specialised analyses and judgments must be considered in relation to the other relevant factors—technical, social, economic and political—provision has to be made for synthesis, consultation, co-ordination and integration. These are processes of administration. The 'intellectual isolation incidental to specialisation' comes in the way of an expert being able to take into account all the facts and possibilities considered in arriving at a politically, administratively, economically and socially acceptable choice. The spirit of isolation so often grows spontaneously in the occupational attitude of the specialist. The final evaluation of the impact of a policy is the field of the general administrator. His 'lay' scrutiny covers a whole gamut of larger considerations and not merely the technical ones on which he has the answers ably provided to him by the expert. The 'worthwhileness' and viability in the social, political and economic sense, is his focus of attention.

28. *Ibid.*

29. Paul H. Appleby: *Policy and Administration*, University of Alabama Press, Ala.

30. Paul H. Appleby, "Meeting Future Personnel Needs", *op. cit.*, pp. 8-9.

31. A. K. Chanda; *op. cit.*, p. 113.

His diverse experience of field administration brings to his mind the otherwise hidden implications, the identification of which is not the field of the expert. Unlike the modern expert, specially in the economic field, his obsession with maximum efficiency is lesser and he is more appreciative of social necessity. He specialises in co-ordination. In the field of public administration, no particular problem can be completely isolated; each has to be related to a wider set of problems. The channelling of expert advice through the hands of a generalist policy adviser lends to expert opinion the necessary practicality devised with due regard to the requirements of public policy as a whole. One important judgment which he has to apply, and can do better than the expert, is to see if the proposed action is such as can be easily turned into action, for the benefit of society—because he has to constantly remember the adage that politics is the art of the possible. If an administrator suggests a decision different from what a specialist supports, it is generally because of important political, administrative or financial considerations which the expert is not expected to judge as well as he assess. It is generally said to be one of the failings of an expert that he is inclined to be dogmatic about his views, to be content with nothing but the perfect solution, to lack flexibility and the capacity to compromise or accept the second best; he is apt to regard modifications and adaptations as unreasonable and unscientific, to make the uncritical assumption that stereotypes constitute a reliable guide to action even in new situations.<sup>32</sup> But no two administrative situations are exactly alike. The frustration of some experts, says Appleby, “is a reflection of an incapacity to impose the expert view; this is an unconscious authoritarianism in a syndicalist form. In other cases, expert frustration is a reflection of sheer unworldliness and particularly of an incapacity for complicated organisational performance.”<sup>33</sup> By training and experience, the expert is an imperfect designer of public policy.

Much of this is, indeed, coloured by bias which supporters of both sides possess for their objects of support. But many of the difficulties narrated are genuine features of the very nature of specialised knowledge and activity, which limit the usefulness of merely expert opinion being taken into account in the formulation of policy. The main point, however, is that the Central non-technical services which are the subject-matter of the present study can neither claim to be classed with those specialists and experts of the technical and scientific services the depth of whose expertise the general administrator can

32. See M.E. Dimock, *Executive in Action*. Also Paul H. Appleby, *Morality and Administration*.

33. Paul Appleby, *Morality and Administration*.

never hope to cultivate, nor can they claim the diversity of administrative experience and intimate acquaintance with public problems which a generalist is able to bring to policy-making. All the three undoubtedly perform equally important and indispensable roles in their respective and mutually complementary spheres, but it seems clear that in the task of policy formulation the general administrator has the best relative advantage.

Before parting with this account of the specialist-generalist controversy, it will be useful to take a brief look at the trend of things in this matter in the U.S.A., which is commonly regarded as the source of inspiration for the 'expert creed'. The latest Hoover Commission (1955) has made what for the U.S.A. is an epoch-making recommendation in the field of public administration. The Commission has suggested the constitution of a 'Senior Civil Service', to provide "a designated group of highly qualified administrators whose competence, integrity and faithfulness have been amply demonstrated, who will make it easier for non-career executives to discharge their responsibilities and who will add to the smoothness, effectiveness and economy of governmental operations as a whole."<sup>34</sup> Members of the Service are to be employees of the Government as a whole; they are to hold personal ranks and not tenure tied to an assignment in one agency, and are to be liable to serve wherever needed. The scheme provides for flexibility which will permit practical application of the fact that a top career executive who has had experience in more than one line of job, and perhaps in more than one agency, is a more useful career administrator to the Government as a whole, than one who has been identified for all of his career with a single function, a single programme or a single organisation. The similarities between the broad complexion of the Service and the generalist civil service cadre of India are easy to discern. The corps is to be of only 1,500 to 3,000 persons; it is to be specially 'commissioned' by the President. It is not to be subordinated to any one agency but will lend senior administrators to all; flexibility will characterise its deployment. The Hoover Commission strongly emphasised 'attractiveness' and 'inherent prestige' as incentives and "a capstone to a career in the national administration." The corps will provide "a broadened group" in which members would know each other better and know Government better, and would be better equipped and more inclined to work out problems of horizontal co-ordination which are so important in the Government. The Commission recommended that Government should encourage movement between Washington and field positions, between staff and line jobs, among the agencies, and so on, so that it can provide

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34. Hoover Commission Report, 1955.

"a broad reservoir of talent". Its 'prestige' was specially important in the view of the Commission who described it as the "most important intangible". In short, the Commission recommended what one of its dissenting members described as 'an elite corps', small in size, doing a diverse set of jobs in more than one field and agency, and cultivating the benefits of general administration in the process. The Commission, no doubt, made the salutary recommendation that talent for this elite corps should be sought in all departments and agencies, and that is a line along which reform is necessary in India as the section which follows will attempt to explain, but the significant thing to note is its emphasis on both the aspects which constitute the main burthen of this paper, namely, the need for an elite corps and one with diversity of administrative experience instead of specialist ability.

The field of management of business enterprises is not the subject-matter of this study, although it is now the important sector of public administration which requires attention. Clearly, the old system will need considerable re-orientation to the new needs. But one thing seems free from much doubt. If there is need for the general administrator to be given necessary background training and experience in industrial or business management before he can really do justice to this complex and special line of public activity, and if there is need to keep the ranks of management constantly open to draw suitable talent from whatever the source, public or private, it is also at the same time clear that management, like administration, involves essentially the ability to bring about synthesis and co-ordination in the organisation with which one is entrusted, rather than the display of specialist talent in one limited field or two. The fact that one can come across in the specialist fold, talent admirably suited to the task of management or general administration, does not alter the basic similarity of management skills to skills of general administration rather more than to expert skills.

#### SOME NECESSARY REFORMS

The conclusion which emerges from the preceding discussion is that the generalist civil service of India has not become out of date, and that, on the contrary, in certain respects the need for such a corps is even greater today than it was in the past. However, there are a number of matters which call for reforms. Some of them are the following:

(i) The ranks of the Administrative or Civil Service should be thrown more widely open than now. The present arrangement is to



take the 'top-few' in the list of successful candidates at the combined competitive examination for all Central Services, into the Administrative Service. This is no doubt the most practical method of recruitment and on all accounts, is providing by and large recruits of the best available type. But it has the serious demerit of excluding talent suitable for the Administrative Service existing in the Central Services which may get left out either because of the part elements of chance play in an examination or the fact that some young men display requisite personal qualities only after a few years of active service, it seems unjust as well as undesirable to shut the door for good at the young age of 24 or so, as at present. It seems necessary to permit lateral movement into the Administrative Service from the other Central Services in order to provide for the absorption of such talent from the latter service. The extent to which reliance should be placed on this source will need to be carefully assessed in the light of actual availability. The important thing, however, is to 'catch-them-young', because in the general administrative line, more than any other line, "you cannot groom a spinster to stardom". An appropriate maximum age-limit around 35 years of age would, therefore, be a desirable arrangement. This will mean, in practical terms, confining the choice to people with no more than about 10 to 12 years' experience in the other departments.

(ii) There is need for organising properly constituted scientific and technical services, and also industrial management cadres, on patterns less rigid and orthodox than those on which the conventional civil services are commonly based. Within some broad limitations, the scheme should provide for considerable flexibility and unorthodoxy in such matters as starting pay, advance increments, personal pay, restrictions on age, fixation of seniority, procedure of promotion, recruitment from the open market, contract appointments, retirement benefits, and so on. The objective should be to include wide and flexible enabling provisions which would make possible the admission into these essential services talent at present extremely scarce, from whichever source it may be available and on whatever terms may seem most appropriate in any individual case. It will be undesirable to devise their terms with a desire necessarily to adhere to the parallels of non-technical civil services. It will be making prodigal use of scarce 'expert' talent to utilise such personnel on general administrative, policy-making or managerial posts, apart from such deployment having the demerit of putting them in positions which they are not likely to find congenial in view of their background and experience. But this does not mean that in terms of 'rank' or 'status' they should take the second place to the generalists. The 'top-men' in either

case should have equal status; indeed, individual scientific or technical civil servants may well have to be given higher salary than corresponding ranks among the generalists.

(iii) If there is need for the predominance of the Administrative Service, with experience of district administration, in the policy-making ranks, there is also need for some officers with intimate experience of the working of the departments performing purely federal functions. No scheme of wholesale reservation of posts in the Central Secretariat in favour of any particular service can, therefore, be justified. Nor can it be justified that two officers, belonging to two different services doing identical jobs in the Secretariat should get disparate remuneration. Their terms should be so adjusted on these posts as to give them identical pay.

The case for a separate general administrative service, and that as an 'elite corps', seems still justified in India. The main problem is not its existence as such but its exclusive character and its closed cadre. The present system of recruitment by and large yields candidates of the best available type, but not necessarily *all* of them. Therefore, what is required is an 'open-door' policy which would enable the transfer to the elite corps, of any outstanding 'finds' that may be located in the other Services.



"The new recognition of the nature of personality and the modern multiplicity of associations go hand in hand. Together they refute the philosophy that would centralize all human activity within the clasp of the state. Together they provide the facilities the democratic state must employ to remain flexible and dynamic."

—R. M. MACIVER  
(In '*The Web of Government*')

# THE POSITION AND ROLE OF THE SECRETARY-GENERAL OF THE UNITED NATIONS

*Jitendra Singh*

"Everyone must decide for himself what is the right answer, but fairness requires that it is based on knowledge."

—*Hammaraskjold*

**T**HE post of the Secretary-General of the United Nations is one of the most important jobs in the world. President Roosevelt described him as 'the World's Moderator'. In a world divided by ideologies and power interests, his task is to reconcile the interests of all without seeming to hurt the susceptibilities of any one single nation. How is he to achieve this delicate balance among conflicting power interests? Is his position powerful enough to enable him to play this role adequately? Has he the capacity to carry single-handed the burden of these varied and arduous tasks?

The aim of this paper is to answer these questions. It is divided into three parts: Part one deals with the evolution of the structure of the United Nations Secretariat and locates the position of the Secretary-General in the U.N. organization; part two is mainly concerned with the provisions of the U.N. Charter and the Rules of Procedure of the Principal Organs of the U.N. which to a large extent determine the conditions of power and influence at his disposal. These two parts provide us with clues to the position and role of the Secretary-General; part three touches on the 'troika scheme', examines briefly the conception of the neutrality of an international civil servant and indicates the different solutions proposed to meet the 'troika' demand.

## I

### THE EVOLUTION OF THE STRUCTURE OF THE UNITED NATIONS SECRETARIAT

The U.N. Charter was signed by the representatives of 50 nations on June 26, 1945. The Charter under article 7(1) created four main organs, other than the International Court of Justice and the U.N. Secretariat, to carry out the three main purposes of the international organization: (i) safeguard international peace and security; (ii) carry

out socio-economic surveys and programmes; and (iii) help in the self-determination of non-self-governing territories. The Secretariat, headed by a Secretary-General, was conceived to serve all these organs impartially and to feed them with expert information on the basis of which policy decisions could be made.

On January 27, 1946, a Preparatory Commission (with its Executive Committee) was formed to consider the various alternatives for the structural design of the United Nations Secretariat. The basic problem for consideration was whether to have a Secretariat with an effective central direction or to have a Secretariat with competing (and maybe conflicting) centres of power within it.

### **Alternative Designs Considered**

The Executive Committee of the Preparatory Commission considered three separate structural designs for the U.N. Secretariat.<sup>1</sup> They were: (i) the 'organic design'; (ii) the 'functional design'; and (iii) the 'regional design'. A few words may be said about the nature of these designs.

#### *The Organic Design*<sup>2</sup>

The argument for the 'organic design' was based on two premises:

(i) The Organists believed that as the four organs of the U.N. between them represented the main activities of the United Nations, they should provide the central focus for the organization of the U.N. Secretariat. These organs were interdependent but autonomous units. The Secretariat should also be organized into four autonomous 'Secretariats' each serving its respective organ. The four 'Secretariats' visualized by the organists were: The Secretariat of the Security Council; the Secretariat of the General Assembly; the Secretariat of the Economic and Social Council; and the Secretariat of the Trusteeship Council.

(ii) It was further held that each one of these 'Secretariats' should be headed by a Deputy Secretary-General to be appointed by the General Assembly on the recommendation of the Security Council. It was desired that the Deputy Secretaries-General should be the nominees of the big Five permanent members and should share with

1. See Report of the Preparatory Commission of the U.N., Doc. PC/20, December 23, 1945; and Report by the Executive Committee to the Preparatory Commission of the U.N., Doc. PC/Ex/113/Rev. 1, 12, November, 1945.

2. Donald Stone, "Organizing the United Nations, *Public Administration Review*, Vol. 6, 1946, pp.115-122; on the appointment of Deputy Secretaries-General, see, Ruth B. Russell, *A History of the United Nations Charter*, The Brookings Institution, Washington D.C., 1958, pp. 431; 855-57.

the Secretary-General the political and administrative responsibilities of the U.N. Secretariat. The relationship between the Secretary-General and his deputies was left undefined.

The Soviet Union and Nationalist China were the main protagonists of this design. The former advocated a plan with the following seven sub-divisions of the Secretariat: (i) Secretariat for each of the four organs of the U.N. (see above); (ii) The Administration and Financial Department; (iii) The Legal Department; and (iv) The Information Department.

The idea of establishing competing centres of authority within the Secretariat was rejected at the San Francisco Conference. The smaller nations represented there were against any proposals that would further enhance the powers of the big Five of the Security Council. They also realized that the above arrangement would result in a divided and ineffective Secretariat infected with international power politics. They desired the U.N. to be a more effective organ for peace and economic development than was the League of Nations.

### *The Functional Design<sup>3</sup>*

The protagonists of this design were the small nations of Europe with some support from the U.S.A. and Canada. They rejected the scheme of having a separate Secretariat for each organ of the U.N. and proposed instead a gradual development of 'special purpose' departments as part of a single Secretariat—to feed and serve all organs of the U.N. equally.

The major premises in support of the 'functional design' were three:

(i) Their concern to evolve a structure that would help and not hinder the coming together of nations of the world for a common purpose (or set of common purposes). They visualized 'a natural co-operation' between nations on socio-economic problems rather than in matters involving political considerations. They recognized that socio-economic co-operation would ultimately bring about political co-operation between nations ('separability priority') and lead to a world federation ('federation by instalments'). They, therefore, concentrated their attention on the organization of the Economic and Social Council (not included as one of the U.N. organs in the Dumbarton Oaks proposals), emphasized the need to create special purpose

3. Inis. L. Claude Jr., *Swords into Plowshares*, University of Michigan, Random House, New York, 1959 (Second Edition), pp. 374-79, 380-81, 389-92; David Mitrany, *A Working Peace System*, Royal Institute of International Affairs, London, 1946, pp. 6-14; W. Laves, "The United Nations: Re-organizing the World's Governmental Institutions", *Public Administration Review*, Vol. 5, 1945, pp. 183-93.

(i.e. 'specialized') agencies and their affiliation with the Economic and Social Council; and to recognize the General Assembly (the most representative of the U.N. organs) as the main co-ordinating body for all the varied functional activities of the U.N. The functionalists did not raise any objection to having a separate department for the Security Council in the Secretariat with the sole function of servicing the above organ (again 'the separability priority'). The services of all the other three departments of the Secretariat were to be made available to any of the four organs of the U.N. as needed.

(ii) Within this overall structure, the functionalists visualized a common Secretariat headed by a Secretary-General to 'help, advise, initiate and carry out' the varied economic and social programmes. He was also to serve the other three organs of the U.N. and be solely responsible for the staffing of the Secretariat.

(iii) They further desired that the U.N. Secretariat should be given staff-aid in the form of an executive office and other staff offices like budgeting, personnel, fiscal policy and programming.

#### *The Regional Design<sup>4</sup>*

The 'regional design' was advocated specially by those states that were already heavily involved in regional alignments: The Latin American countries (O.A.S.); the Arab countries (the Arab League); some of the 'Old' Commonwealth countries (headed by Great Britain). They took issue with the idea of a single United Nations as a common operative body for all the diverse power blocs of the world. They did not question, in theory, the need for such a world organization but taking their cue from the failure of the League of Nations they advocated a regional solution which they thought would more effectively fulfil the main purpose of the U.N., i.e., pacific settlement of disputes. In contrast to the 'functionalists' they put power politics at the centre of their attention and visualized a process of bargaining between different regional power groupings to preserve peace and security in the world ('balance of power' theory).

The premises behind this view were mainly three:

(i) A regional organization, they thought, is capable of more effective organizational action than a global one. The lack of homogeneity between member nations was considered as the greatest weakness of the League of Nations.

4. Norman J. Padelford, "Regional Organization and the United Nations", *International Organization*, May 1954, pp. 204-16; Stephen S. Goodspeed, *The Nature and Functions of International Organization*, Oxford University Press, New York, 1959, pp. 549-54; Ruth B. Russell, *op. cit.*, pp. 704-12.

(ii) A regional grouping would take into account the actual power relationship between nations and would constitute 'a common sphere of influence', which would enable them to tackle world issues (and regional issues) in a realistic manner.

(iii) They further held that even if a United Nations is created it should function on a regional basis with power deconcentrated in regional centres. In this way, they thought regionalism would provide 'a working model' and 'a training ground' for a unified world organization with a common Secretariat ('pilot project' idea).

This view was most forcefully put forward by Churchill. He said "there should be several regional councils, august but sub-ordinate. . . . That these should form the massive pillars upon which the world organization would be formed in majesty and calm."<sup>5</sup>

### The Final Combination Design

The final design that emerged was a compromise design combining in it some elements of all the three designs discussed above.

The 'organic design' was not accepted in its entirety but two of its elements were incorporated in the new scheme. *First* was the modified acceptance of the idea that each organ of the U.N. should have a separate department (not "Secretariat") to service it. The two important modifications made here were: (i) The General Assembly was not given a separate department on the ground that the Assembly had no operative tasks to perform. The information to the Assembly, it was thought, should be fed by other departments (except the department of the Security Council). Two departments were created for the Economic and Social Council (the Department of Economic Affairs and the Department of Social Affairs). (ii) But more importantly the four departments formed part of a single Secretariat (the 'functionalist' position). *Second* was the modified acceptance of the 'organic' idea that each department should be headed by an Assistant Secretary-General. Here the change occurred over two important points: (i) The Assistant Secretaries-General were to be appointed by the Secretary-General with the informal concurrence of the big Five Powers; (ii) The Secretary-General was to be in overall charge of the whole Secretariat and was to delegate at his discretion the operating powers to his assistants.

5. See Winston S. Churchill, *Europe Unite*, Cassell and Co. Ltd., London, 1950, p. 314.

The 'functional design' was also not accepted in its totality. But the three basic ideas of the 'functional design' were incorporated: (i) that there should be a single Secretariat headed by a Secretary-General (discussed above); (ii) that the Secretary-General should direct, initiate and co-ordinate the activities of all the Secretariat departments, and be responsible for the staffing of the Secretariat; (iii) the idea of giving staff-aid to the Secretary-General was partially accepted in the form of giving him a skeleton executive office. But staff functions like budgeting, fiscal policy, personnel, programming, general services, legal aid and information, were distributed under four separate departments each under an Assistant Secretary-General.

The major point of the regionalists was met in articles 52 to 54 of the Charter. But this concession to the regionalist position was modified in two important ways: (i) The Charter allowed the existence of regional arrangements for the maintenance of regional peace and security as long as these arrangements were consistent with the principles and purposes of the U.N. [article 52(i)]; and (ii) It was specifically stated that no regional organization should take an enforcement action without first consulting the Security Council with the exception of measures against any enemy attack [article 53(i)]. The regional idea is also reflected in the creation of the four regional Economic Commissions, press information offices in the major capitals of the world and a growing tendency in the U.N. to decentralize the activities of its specialized agencies for development purposes.

The Secretariat under the final structure, then, was arranged under four 'organic' departments (Security Council, Economic Affairs, Social Affairs, and Trusteeship) and four 'functional' departments (Public Information, Conference and General Services, Administrative and Financial Services, and Legal Affairs).

But the final 'combination design' contained within it certain obvious deficiencies. Some of them may be mentioned here:

*First*, was the problem arising from the nature of the 'combination design' itself. The design involved a duplication of work among the various 'organic' and 'functional' departments of the Secretariat. The 'organic' departments, it was found, were tending to become attached to the Councils they served and were getting isolated from the rest of the Secretariat. There was also no co-ordination between the 'functional' departments. These two tendencies if allowed to develop would have hampered the authority and responsibility of the Secretary-General over his own Secretariat.



*Second*, was the anomaly of two departments serving the Economic and Social Council, when their work actually needed a great amount of co-ordination between them.

*Third*, was the inadequacy of the staff to effectively carry out the duties of the Executive office. There was a felt need to turn it into a 'Secretariat of the Secretariat'. Much of the Secretary-General's effective control over his Secretariat depended on its strength.

*Fourth*, it did not allow the Secretary-General to have adequate control over financial, personnel and programme planning matters.

*Fifth*, the Secretary-General did not have a free hand in the appointment of his assistants.

### Re-organization of the Secretariat (1952-1959)

To remove some of these inadequacies, the General Assembly asked the Secretary-General to make a preliminary study about the structural re-arrangement of the Secretariat. These studies were started in Trygve Lie's time (1952) and completed during the term of office of Dag Hammarskjöld (1954-1955 and 1959).<sup>6</sup> The main organizational changes can be identified under two heads: (a) structural changes, and (b) changes in top personnel.

#### A. Structural Changes

(i) The Secretariat was divided into three 'substantive' departments (Political and Security, Trusteeship, and Economic and Social), three offices (Conference Services, General Services, and Public Information), and a U.N. office at Geneva. The department of Administrative and Financial Services and the Legal Department were broken into three functional units (Office of Controller, Office of Legal Affairs, and Office of Personnel). These with the Executive Office of the Secretary-General were attached to the latter as his staff aides. This re-arrangement adequately recognized the dual responsibility of the Secretary-General; *first*, the responsibility for the internal administration of the Secretariat, (for which the Secretary-General was made solely responsible), and *second*, his external responsibility, i.e., to the various 'substantive' organs of the U.N. The re-organization thus provided the Secretary-General with a direct control over personnel and financial matters, and made it possible for him to effect co-ordination of the work of the U.N. organs. (ii) The Executive office of the

6. The Secretary-General's re-organization proposals were debated (and approved) in the 8th and 9th Sessions of the General Assembly. See, *General Assembly Resolution* 886, Ninth Session, A/C5/L 282/Rev. 1.

Secretary-General was organized into separate units dealing with the work connected with the office of the Executive Assistant,<sup>7</sup> the General Assembly, protocol matters, relations with member (or non-member) governments, specialized agencies and various missions of the U.N. (iii) The importance of technical assistance was recognized by the creation in 1959 of the Technical Assistance Administration (TAA) functioning under the direction of the Economic and Social Council and headed by a Director-General.

### *B. Changes in Top Personnel*

It may be remembered that during the debate in the Preparatory Commission the principle was established that the Assistant Secretaries-General would act as advisers and deputies to the Secretary-General "in their subject matter fields in addition to performing their operative jobs as heads of departments". At San Francisco it was decided that the Secretary-General would have a *free hand* in appointing his Assistant Secretaries-General. But as Trygve Lie said, "In fact the big Five had agreed among themselves to ask me to appoint a national of each of them as an Assistant Secretary-General." Lie admits that "it would (not) have been politic of me to resist the great power accord."<sup>8</sup> The Assistant Secretaries-General had a dual role to perform:<sup>9</sup> on the one hand they represented, in their national capacity, the member states to which they belonged (their political role), and on the other they were also heads of their respective departments (their administrative role). The Assistant Secretaries-General acted as political advisers to the Secretary-General while their administrative tasks were delegated to the various Directors concerned. This raised, in an acute form, the problem of the relationship between the Secretary-General and his assistants. First, the latter's political role was dependent on the former's desire to heed their advice. Second, their administrative role

7. Andrew Cordier, the first Executive Assistant, stated the role of his office thus: "(Co-ordination is effected) through meetings of the top-ranking directors of departments. They are called together once or twice a week to talk over the work... Each department reports to Mr. Cordier's office every day, and every evening he reports to the Secretary-General on the top developments. That report is then processed and goes to the top people in each department. Thus all the departments get the same information on top-level developments within the organization." Quoted in Stephen M. Schwebel, *The Secretary-General of the United Nations*, Harvard University Press, Cambridge, 1952, p. 265.

8. Trygve Lie, *In the Cause of Peace*, The Macmillan Company, New York, 1954, p. 45.

9. Trygve Lie also visualized their role in this dual capacity. He said, "The group of Assistant Secretaries-General was to be my official 'cabinet' available for advice on all matters not least on questions relating to their 'respective home areas'. They were also the responsible heads of their departments. I delegated to them broad administrative authority from the very beginning. As the work developed it fell to their deputies, the top-ranking directors, to assume many of the administrative duties, and then they too were called in for my regular meetings". *Ibid.* p. 51; about the functions of Assistant Secretaries-General see Goodspeed, *op. cit.*, p. 510.

was complicated by the emergence of Directors as heads of departments. To whom were the Directors to be responsible? Formally to the Secretary-General as the head of the Secretariat. But in a situation of disagreement between the Secretary-General and his assistants, what were the Directors to do and whom were they to obey? As Assistant Secretaries-General were outside the Secretary-General's appointing or dismissing authority, what control could the latter have over the activities of the Directors who were immediately responsible for their work to the former? Third, was the problem of the relationship between Assistant Secretaries-General and the Executive Assistant. The latter could deal directly with the Directors of the departments concerned. Assistant Secretaries-General could have been used as experts in their 'home areas' but this role was more effectively carried out by the permanent missions of the member states at the U.N. The above arrangement then confused the administrative responsibilities of the top officials of the Secretariat and led to a situation of frustration among Assistant Secretaries-General.

The re-organization scheme helped to resolve this problem. It provided for only one level of officials heading departments, or offices to be called Under-Secretaries or Directors. They were to be administratively responsible to the Secretary-General for the operation of their departments; the Secretary-General had the appointing and dismissing authority over them; and it was recognized that the political role was the sole responsibility of the Secretary-General to be exercised at his discretion. The Secretary-General was thus enabled to exert leadership on a wide range of problems with which he had to deal.

Dag Hammarskjöld, in 1955, appointed two Under-Secretaries without portfolio, as his personal staff aides, for Special Political Affairs. The first two incumbents of these posts were Ralph Bunche (U.S.A.) and Ilya S. Tchernychev (U.S.S.R.). Apart from being his political advisers, they were supposed to function as his roving ambassadors, investigators and trouble-shooters. The appointment of these two political Under-Secretaries reflected a three-fold need:

- (i) to have assistants who represented, in their national capacity, the views of the two major power blocs in the U.N.;
- (ii) to have assistants who represented, in their international capacity, the views of the U.N. Charter and of its Secretary-General;
- (iii) which would then enable the Secretary-General to devolve on them some of his political burdens.

The delegation of the Secretary-General's political power is contingent on a good personal rapport being established between him

and his Under-Secretaries. Both Lie and Hammarskjöld kept the political role in their own hands. The Under-Secretaries were used by Hammarskjöld largely for fact-finding missions. U Thant, on the other hand, has recognized the need for the delegation of his political power and has increasingly given his Under-Secretaries a large amount of discretion to assess and solve political problems in troubled areas of the world. The negotiatory role of Narasimhan in the final outcome of the West Irian issue and that of Ralph Bunche in untangling the Congo tangle are cases in point. It is true that the responsibility for the execution of the U.N. decisions rests with the Secretary-General. U Thant has retained the final responsibility, for all their acts, in his hands.

Another change may also be mentioned. It may be remembered that the Executive Assistant of the Secretary-General dealt with the affairs of the General Assembly. In actual practice, the office of the Executive Assistant functioned as the department of the General Assembly and, in the rank of Under-Secretaries, Cordier occupied the position of *primus inter pares*. This situation was formalized in 1961. The Executive Assistant was renamed the Under-Secretary for General Assembly and Chef de Cabinet.

## II

### THE POWERS OF THE SECRETARY-GENERAL AS DEFINED BY THE CHARTER

We have, so far, seen how the structure of the Secretariat helped to determine the position and the authority of the Secretary-General. We may now consider the provisions of the Charter defining his powers and functions.

#### **Appointment of the Secretary-General**

First is the question of the appointment of the Secretary-General. Article 97 establishes a single Secretary-General at the head of the Secretariat and lays down that he 'shall be appointed' by the General Assembly upon the recommendation of the Security Council. He is also labelled 'the Chief Administrative Officer'.

Dag Hammarskjöld put forward the thesis that the Secretary-General is an 'elected representative' of the United Nations. Some light may be thrown on this point by studying the procedure of appointment. The Security Council 'recommends' to the General Assembly the appointment of the Secretary-General. The procedure adopted is as follows: The seven members of the Security Council first give their

affirmative vote for the candidate and all the five permanent members then express their concurrence (or not) with the seven nations' affirmative vote. Thus, any one of the permanent members has the right to veto the 'affirmative recommendation' of the other members of the Security Council. This procedural arrangement recognized the dependence of the Secretary-General on agreement between permanent members of the Security Council. The General Assembly, if it so desires, could reject the recommendation of the Security Council, but in that case it could not by itself appoint another person as Secretary-General. Dag Hammarskjöld was right when he said that he was an 'elected representative' but his election was dependent on unanimous agreement between permanent members of the Security Council. In this important sense he is 'appointed' by the big Five. This need for unanimous agreement limits the choice of candidates. A near convention has therefore grown that the Secretary-General should belong to a neutral country and should be known to be a man without any strong political commitments to either one or the other of the two power blocs or ideologies. The three Secretaries-General, so far appointed, seem to add weight to the above convention.

Connected with this, is the question about the term of appointment. The Charter does not specify the number of years that the Secretary-General should remain in office. But the General-Assembly in its resolution of January 24, 1946, specified four conditions about his term of office:<sup>10</sup> (i) that the term of appointment should be long enough to enable a man of 'eminence and high attainment' to accept the office; (ii) that the first Secretary-General, (i.e., Trygve Lie), should be appointed for five years and his term could be renewed for another five years; (iii) that the General Assembly and the Security Council were free to modify the term of office of the Secretary-General in accordance with their experience; (iv) that the Secretary-General, at the end of his term of office, should not accept any offer of employment with a member nation, nor should a member nation offer him any employment.

### **Powers and Functions of the Secretary-General**

The Charter provides the Secretary-General with three main functions to perform:

- (i) Administrative and technical functions: i.e., his responsibilities as the Chief Administrative Officer (articles 97 and 101);

10. Louis B. Sohn, ed., *Basic Documents of the United Nations*, Stevens and Sons Ltd., London, 1956, pp. 241-42.

- (ii) Executive functions: i.e., his responsibilities to carry out the directives of the main organs of the U.N. The directives may be couched in general or specific terms (article 98).
- (iii) Political functions: i.e., functions exercised without the express authority of the policy-making organs of the U.N., or more commonly functions flowing from the specific task of implementing the general directives of the U.N. organs (articles 98 and 99).

The Secretary-General's administrative and technical functions stem from his being the head of the Secretariat.<sup>11</sup> He has a five-fold task in this capacity: (i) he serves as a channel of communication between the members of the U.N. and its various organs; (ii) he is responsible for the recruitment, training, pay, probation, promotion and discipline of the Secretariat staff; (iii) he is responsible for the preparation of the work of these organs; (iv) he provides technical assistance, undertakes specific studies, collects socio-economic statistics from member nations and gives expert advice to the other organs of the U.N. as well as to the members of the organization; and (v) under the Provisional Financial Regulations adopted by the General Assembly, he is responsible for preparing the budget of the U.N., for allocating funds, for controlling expenditures, for collecting contributions from members and for 'the custodianship of all funds'. He is also to make arrangements by which the budgets of the specialized agencies may be presented to the General Assembly for approval.

The second important function of the Secretary-General is to carry out the policies and programmes laid down by the main organs of the U.N. Article 98 and the Rules of Procedure of the General Assembly, the Security Council, the Economic and Social Council and the Trusteeship Council define the role of the Secretary-General in relation to these organs. These functions may be divided into two categories: One, where his relationship involves him in executive task of carrying out the policies laid down by the U.N. organs; and second, where he is asked to propose a plan of action, or prepare a report or act in accordance with his own best judgment. The latter task gives him tremendous discretionary powers of a political nature. Both

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11. The Preparatory Commission in its report sums up the main administrative functions of the Secretary-General thus: "He alone is responsible to the other principal organs for the Secretariat's work; his choice of staff... and his leadership will largely determine the character and efficiency of the Secretariat as a whole. It is on him that will mainly fall the duty of creating and maintaining a team spirit in a body of officials recruited from many countries. His moral authority within the Secretariat will depend at once upon the examples he gives of the qualities prescribed in article 100 (which stipulates and guarantees the impartiality of the Secretary-General) and upon the confidence shown in him by members of the United Nations": Report of the Preparatory Commission, *op. cit.*, p. 86.

are important duties of the Secretary-General. The second is a more dynamic duty and we may consider the nature of its responsibilities in some detail. The Secretary-General can exert his influence and initiative in the following manner:

- (i) At the time of drawing up the provisional agenda for each organ of the U.N. :
  - (a) The rules of procedure of the General Assembly and of the Trusteeship Council specify that their 'agenda shall include all items' which the Secretary-General thinks it necessary to put before these organs;
  - (b) In the case of the Security Council the Secretary-General may bring to the attention of the Council any matter which in his opinion threatens international peace and security (article 99);
  - (c) In the case of the Economic and Social Council, he is not given the right to propose an item for the agenda, but the Secretary-General through the members of the three other organs can and does exert pressure in framing its agenda.
- (ii) At the time of making oral or written statements to these organs: The rules of procedure of all the four U.N. organs provide that the Secretary-General, or any one of his deputies, may make either oral or written statements to each organ concerning any question under consideration by it. But in the case of the Trusteeship Council, he can make such statements only upon the invitation of the President of the Council. In the case of committees or sub-committees of the General Assembly the Secretary-General can make any oral or written statement which he considers desirable.
- (iii) At the time of drafting the Annual Report to the General Assembly: Article 98 places upon the Secretary-General the obligation to make an Annual Report to the General Assembly on the work of the organization. The Report consists of two parts: (a) a factual summary of the achievements or failures of the U.N. for the past year; and (b) an Introduction to the Report containing the Secretary-General's personal evaluation of the work of the U.N. for that year, and his recommendations to the General Assembly, and to the member states. Trygve Lie compared these reports to the 'State of the Union' messages delivered to the Congress by the President of the United States.

The third important function of the Secretary-General consists in carrying out his political responsibilities. Article 99 of the Charter states: "The Secretary-General may bring to the attention of the Security Council any matter which in his opinion may threaten the maintenance of international peace and security." This article clearly indicates that the role of the Secretary-General is more than that of being merely 'the chief administrative officer' of the U.N. Sir Eric Drummond, the first Secretary-General of the League of Nations, in reflecting over this article, said, "I wish article 99 had been at my disposal."<sup>12</sup>

It may be noted at the outset that the powers given to the Secretary-General under article 99 had been a matter of controversy between member states.

At San Francisco Conference, some of the delegates desired the following extension of powers of the Secretary-General, under article 99:

- (i) That the invocation of article 99 should be binding on the Secretary-General;
- (ii) that its application should extend to the General Assembly;
- (iii) that the Secretary-General should bring any matter that violates the *principles* and *purposes* of the U.N. Charter to the attention of the Security Council or the General Assembly.

All these three suggestions were finally rejected, but the nature of these suggestions indicates the desire of some of the delegates to make the Secretary-General the main custodian of the U.N. Charter. The powers under this article evolved gradually on the basis of concrete experience. During the Iranian crisis it was established that the Secretary-General could intervene and make oral or written statements in the debates of the Security Council; during the discussion on the Greek frontier situation it was laid down that the Secretary-General could carry out investigations to determine the facts of the situation. The Committee of Experts of the Security Council made it clear that the Secretary-General could draft specific resolutions or proposals and make oral or written statements on any question under consideration by the Security Council. Later, the General Assembly gave the Secretary-General 'unrestricted rights' to intervene in its debates. The political powers given under article 99 are not fixed but evolving powers.

The nature of the political initiative made available to the Secretary-General, under article 99, may be enumerated under seven heads:

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12. Schwebel, *op. cit.*, p. 17.



- (i) It allows him to draw the attention of the Security Council of any threat to international peace and security;
- (ii) but the Secretary-General cannot determine whether a situation is a threat to peace or not unless he has available to him impartial data on the basis of which he may formulate his judgment. This gives the Secretary-General both the power to investigate facts and to appoint U.N. Officers to carry out the above responsibility;
- (iii) he can place *any item* on the provisional agenda of the Security Council. This gives him broad powers of intervention not only in political matters but also in economic and social fields which have political implications;
- (iv) he can make declarations and proposals, and suggest draft resolutions and amendments in the Security Council;
- (v) he can appeal to world public opinion;
- (vi) in a deteriorating situation he can directly contact the governments concerned to see whether it is possible to avoid the situation from further deteriorating; and
- (vii) he has the discretion to choose the means of implementing the directives of the U.N. organs which are in the form of 'generalized mandates', e.g. "arrange with the parties for the adoption of any measures" (Palestine); "secure and supervise the cessation of hostilities" (Suez); "take all... necessary administrative and executive action to organize the Force and despatch it to Egypt". His discretion is limited only to the extent that the policy organs may explicitly forbid him to act in a certain way.

Lie and Hammarskjöld followed slightly different strategies of action. Lie had no definite plan to develop the political powers of his office. His main difficulty was as he expressed it, "The Secretary-General might be the symbol of the organization as a whole... this and his strategic situation at the very centre of international affairs as confidant of the world's statesmen and as spokesman of the world's people, attached significant influence to his position; but it was a moral power, not a physical one, and moral power in this world is not conclusive. The Secretary-General, it was said, should be more the general than the secretary, but where were his divisions?" On another occasion he said, "I... used these powers with caution, because to have attempted to go too far, too fast, might have lost everything."<sup>13</sup> In spite of his caution he was unable to avoid getting involved in political disputes.

13. Lie, *op. cit.*, first quote, p. 42; second quote, p. 88.

Hammaraskjold on the other hand believed that the Secretary-General, even without any divisions, had sufficient initiative to exert his influence in implementing the policies of the U.N. organs. His 'flexible but active diplomacy' visualized five different kinds of action: (a) action on the basis of specific directives of the U.N. organs (he saw no problem here); (b) action requiring specific interpretation by him of the general directives of the U.N. organs (Suez and Congo); (c) action with or without the consent of the U.N. organs if he felt necessary that 'such an action might help to resolve the conflict' (Laos; release of American prisoners in China and Israel-Jordan dispute); (d) action made necessary to fill power vacuum ('preventive diplomacy'—as in Lebanon); and (e) action on the basis of (and to safeguard) the principles of the Charter. Hammaraskjold, speaking on the subject, said at Oxford, "...it may be said that (the Secretary-General) will carefully seek guidance in the decisions of the main organs, in statements relevant to the interpretation of those decisions, in the Charter, and in generally-recognized principles of law... Even if all these steps are taken, it will still remain... that the reduced area of discretion (for him) will be large enough..."<sup>14</sup>

But the dilemma that a Secretary-General faces is often paralyzing. If he intervenes on his own initiative in the political problems of the member states that threaten international peace, he usually finds himself treading on some one's toes. But if he does not recognize this threat, and initiate action on it, he is obviously not living up to the demands of the Charter. This dilemma was fathomed to its full measure by Lie and Hammaraskjold. The Russians made it clear to both of them that apart from the wishes of permanent members they had no independent authority. The very success of Hammaraskjold's 'preventive diplomacy' in Congo brought him in disrepute of some nations. The question naturally arises: Is there a way out to protect the Secretary-General from the onslaughts of hurt nations? To meet this situation, Hammaraskjold suggested that the Secretary-General should be allowed to continue in office as long as he did not lose the confidence of one permanent member and the 2/3rd member nations of the U.N.<sup>15</sup> It is doubtful that the permanent members would easily give away their power to break, at any time, the term of office of the Secretary-General. Some other solutions have also been put forward to solve the above dilemma. The most well-known among them is, the 'troika scheme' enunciated by Khrushchev, in 1960, at the United Nations.

14. Dag Hammaraskjold, *The International Civil Servant in Law and in Fact*, Clarendon Press, Oxford, 1961, p. 26.

15. See Wilder Foote, ed., *The Servant of Peace: A Selection of the Speeches and Statements of Dag Hammaraskjold*, The Bodley Head, London; p. 353.

## III

## THE 'TROIKA SCHEME' AND THE NEUTRALITY ISSUE

**The 'Troika Scheme'**

At the 15th session of the General Assembly the role of the Secretary-General was again raised by the Soviet delegate. He desired the removal of Dag Hammarskjöld from the Secretary-Generalship and also proposed a new scheme for the re-organization of the Secretariat.<sup>16</sup> The Soviets put forward two main arguments for the re-organization of the Secretariat:

(i) The U.N. Secretariat, as at present organized, did not reflect the divisions of the world into three blocs: the Western bloc, the Soviet bloc and the Neutralist bloc. This imbalance in the U.N. staffing, and more importantly as reflected in the appointment of a single Secretary-General, should be corrected to make the U.N. Secretariat a really representative body.

(ii) No single individual could adequately represent the interests of all the three blocs. The argument was based on the assumption that no man can be neutral in a world so sharply divided. Khrushchev said that nations could be non-aligned or uncommitted (i.e., non-aligned from the two existing power blocs) but no individual can honestly remain politically uncommitted. From this it was concluded that the Secretary-General of the United Nations cannot function as a neutral man, i.e., remain impartial to the interests of *all* the member states. Any issue threatening peace and security would inevitably involve the major power blocs. The Secretary-General in trying to resolve such an issue would be involved, whether he likes it or not, in bloc rivalries. This is exactly what happened to Lie in Korea, over the Chinese (Communist) representation in the U.N. and over the 'loyalty issue'; and to Hammarskjöld in Suez, Hungary, Lebanon and Congo. Lie, in talking about this dilemma of the Secretary-General, once said, "when he agrees with us, governments tend to feel, the Secretary-General is within his rights, and is a good fellow besides; when his views differ from ours he clearly is exceeding his authority, his reasoning is bad, and even his motives may be suspect."<sup>17</sup> The alternative the Soviets proposed was the creation of a triumvirate representing all the three blocs at the United Nations. No action,

16. The main statements of Soviet position regarding the 'troika' are to be found in the following documents: (i) GAOR, Fifteenth Session, 869th, 882nd, 904th, Plenary Meetings, September 23, October 3 and 13, 1960; (ii) U.N. Doc. A/C 1/1249, October 13, 1960; and (iii) U.N. Doc. S/4704, February 14, 1961.

17. Lie, *op. cit.*, p. 76.

they said, can be taken without the unanimous consent of the triumvirate representing the three blocs. ("All three Secretaries must be agreed on a concerted decision.") This arrangement, it was thought, would guarantee that "the executive work of the United Nations (is not) carried out to the detriment of any one of these groups of states."<sup>18</sup> This was the gist of the 'troika scheme'.

Why did the Soviets propose this scheme? Were they personally antagonized by Dag Hammarskjöld, thinking that his 'preventive diplomacy' in Congo was helping the Western interests?<sup>19</sup> Or, was it a genuine desire on their part to remodel the U.N. Secretariat so as to prepare it to carry out its future responsibilities regarding peace and disarmament? It is difficult to state their real motives, but five factors may be located as largely responsible for the initiation of the 'troika scheme'. They were: (i) the growth in the Secretary-General's independent exercise of executive functions which were formerly the sole responsibility of the Security Council. This, coupled with 'the Uniting for Peace' resolution, meant the ineffectiveness of the big power veto; (ii) the unpredictability about the behaviour of the non-aligned nations in the General Assembly; (iii) the desire of the Soviet bloc to have parity with the Western group in the staffing of the U.N. Secretariat; (iv) a realization that in the phase of 'permanent co-existence' the U.N. must be developed with the aim of administering disarmament and controlling a newly-created U.N. force; and (v) the scepticism about the impartiality or neutrality of a single Secretary-General.

(i) The growth in the power of the Secretary-General was closely connected with the increased powers of the General Assembly. The Assembly, after 'the Uniting for Peace' resolution, had started thinking of itself as the 'Parliament of Nations' rather than a mere 'Conference of Nations' making recommendations.<sup>20</sup> The Security Council, due to its veto provision, was often paralyzed to act. One of the interesting developments in the United Nations has been a new set of relationships established between the General Assembly, the Security Council, and the Secretary-General. The last serves both the organs as their executive, and implements their policies in the way that they are allotted to him. The major evolution in this relationship has occurred in matters of specific implementation. The case of

18. GAOR, Fifteenth Session, 869th Plenary Meeting, September 23, 1960, para 285.

19. Hammarskjöld in the Introduction to his last Report to the General Assembly said, "The United Nations...had to be guided in its operation (in the Congo) solely by the interests of the Congolese people and by their right to decide freely for themselves..." General Assembly, Sixteenth Session, *Supp. No. 1A(A/4800/Add. 1)*, p. 7.

20. For Hammarskjöld's conception of the General Assembly as 'Parliament of Nations', see, *ibid.*, pp. 1-6.

Congo may provide an illustration. The Security Council passed a resolution asking the Secretary-General 'to take the necessary steps' and to provide the Government of Congo 'with such military assistance as may be necessary until... the national security forces may be able to meet fully their tasks'.<sup>21</sup> This gave the Secretary-General a general mandate to act in Congo. The Secretary-General also got approved from the Security Council a set of principles for the use of the U.N. forces in Congo. But the disintegration of the Central Government of Congo and the secession of Katanga and other provinces created 'unforeseeable problems'. The whole of Congo was broken up into 'competing centres of authority'. In such a situation whom could the Secretary-General assist? His task was made more complicated by the fact that each of these 'competing centres' in Congo were being supported by different member states of the U.N. The most obvious choice for the Secretary-General in this situation was to refer the matter to the General Assembly or the Security Council for further guidance. This is what Dag Hammarskjöld did. But the member states were unable to come to a common agreement. This put the Secretary-General in a difficult position. Two alternatives were open to him: (a) he could have refused to implement the directives of the policy-organs so as to keep intact the 'impartiality' of his office; or (b) he could have carried out the policies as generally adopted by the policy-organs and as specifically interpreted by him on the basis of the developing situation. Dag Hammarskjöld gave a positive answer to this dilemma. He said, "This presents us with a crucial issue: is it possible for the Secretary-General to resolve controversial questions on a truly international basis without obtaining the formal decision of the organs? In my opinion and on the basis of my experience the answer is in the affirmative."<sup>22</sup> He admitted that the policy organs may retake the 'consent to act' given to the Secretary-General, but as long as this is not done he is committed to carry out his responsibilities under the Charter, and he cannot abdicate these responsibilities simply because the execution of decisions by him is likely to be politically controversial. The executive functions then gradually and imperceptibly devolved on the Secretary-General, acting on behalf of the Security Council and the General Assembly. The circumvention of the veto in the Security Council and the increase in the powers of the General Assembly and of the Secretary-General were the two basic causes for the initiation of the 'troika scheme'.

(ii) To this was added another important development in the United Nations. Between 1945 and 1963 the membership of the

21. *Security Council Resolution S/4387*, July 13, 1961.

22. Dag Hammarskjöld, *op. cit.*, p. 24.

United Nations more than doubled. The following table indicates the bloc-wise distribution of the membership of the United Nations.<sup>23</sup>

Year	Western bloc	Western Neutral bloc	Communist bloc	Latin American bloc	Afro-Asian bloc			Total
					Asian	African	Arab	
1945	14	...	6	20	3	2	6 <sup>a</sup>	51
1960	20	4 <sup>b</sup>	10 <sup>c</sup>	19 <sup>d</sup>	14 <sup>e</sup>	20	12 <sup>f</sup>	99
1963	20	4	11	21 <sup>g</sup>	14	26	15 <sup>h</sup>	111

NOTE : 'a' includes Iran; 'b' includes Israel; 'c' excludes Yugoslavia, includes Cuba; 'd' excludes Cuba; 'e' includes Japan and Nationalist China 'f' includes Cyprus; 'g' includes Jamaica & Trinidad-Tobago; 'h' includes Yugoslavia.

In 1945 the Western bloc with the Latin American support had an absolute majority in the General Assembly (34 out of 51 votes). Today the situation is different. Both the Western, the Western neutral and the Communist blocs combined have only 35 members. The Afro-Asian bloc consists of 55 members. Latin American countries, in recent years, have given their votes more independently than before. It is true that the Afro-Asian bloc itself is not a completely homogeneous group of nations. Within it are to be found nations with three distinct inclinations: first, a group of nations that is inclined towards the West; second, a group of nations that is inclined towards the Soviet bloc; and third, a group of nations that tries to decide each issue on merits. But this situation has led to unpredictability about their voting behaviour. With the increase in the powers of the General Assembly this 'unpredictable voting' is a major concern both to the Western and the Communist bloc of nations. It may be noted that the membership of the General Assembly is now multi-polar and not, as the 'troika scheme' assumes, tri-polar.

(iii) The third major concern of the Soviet Union has been] over the 'imbalance' in the staffing of the U.N. Secretariat. To remedy this the Soviets desired the application of the 'troika' idea to the Secretariat as well.<sup>24</sup>

The U.N. Secretariat has eight categories of personnel, as follows: Under-Secretaries, Directors and Principal Officers (D-2 and D-1);

23. U.N. Doc. A/C5/890/891, October, 18, 1961; and *Roster of the United Nations*, U.N. Information Centre, New Delhi.

24. The Soviet delegate said in the Committee of Experts: "The entire staff of the U.N. Secretariat should be re-organized...so that the three main groups of states...are represented in it on an equal footing," *Committee of Experts on the Activities and Organization of the Secretariat*, U.N. Doc. A/4776, June 14, 1961, para 35, Appendix 1-5.

Professional (P-1 to P-5); General Service (G-1 to G-5); On Secondment; Manual Workers; Field Service Personnel; and Miscellaneous. The present and the 'desirable range', for each country, of categories P-1 and above, and G-5 and above are indicated in the table below.<sup>25</sup>

World blocs	No. of countries 1960	Budgetary Assessment for 1960-61	P-1 and above		G-5 and above	
			No. of staff	Desirable range	No. of staff	Desirable range
Western bloc	20	59.81%	674	577 to 861	823	650 to 970
Communist bloc	11	21.42%	122	184 to 267	122	209 to 300
Latin American bloc	19	4.73%	107	51 to 100	113	54 to 109
Afro-Asian bloc	50	14.04%	290	160 to 316	296	179 to 342

The above table indicates that the Communist bloc representation in the U.N. Secretariat is unfavourable to them. Lie often complained that the Communist bloc of nations would not allow their nationals to become *career* international civil servants. Much has been done—specially by Hammarskjöld and U Thant—to redress this imbalance. The position has considerably improved since 1946 when the professional staff of the U.N. consisted of only 7% from the Communist bloc and about 82% from the Western bloc.<sup>26</sup> The fact is that the Assembly<sup>27</sup> and the Secretary-General are fully alive to whatever imbalance still remains and are keen to remedy the situation.<sup>28</sup> This disappearing imbalance, then, cannot be considered as one of the important reasons for the enunciation of the 'troika scheme'. The main issue here is not merely of geographical parity. The problem is whether or not the Secretary-General will have the discretion to build up an international career service possessing the highest

25. U.N. Doc. A/4775, June 1961; and U.N. Doc. A/C.5/890-891, October 18, 1961.

26. United Nations Document, A/652, September 2, 1948, Annex. 2.

27. The General Assembly by its resolution of February 27 1957, asked the Secretary-General to appoint an Expert Committee to study the whole problem of the staffing of the Secretariat: First, it was to determine the categories of posts that were subject to the geographical distribution; second, it was to set a criterion for determining the 'range of posts' for each member state. An expert committee was appointed in 1959 and it set itself to make a study with the following guidelines: (a) adopt some sort of 'a points system based on 'a proportionate weighing of the senior posts'; (b) raise 'the floor' for the minimum number of posts (at present 1-3 posts); (c) introduce the principle of 'a floor' not to a single member state (as at present) but to a whole cultural or a geographical region; and (d) give more weightage to the criterion of population in determining the 'desirable range of posts.'

28. See, *General Assembly Resolution*, 1446 (xi), December 5, 1959; also Secretary-General's *Report on the geographical distribution of the Secretariat staff*, U. N. Doc. A/C.5/890; and *International Organization*, Winter 1962, p. 169.

standards of efficiency, competence, and integrity [as stipulated in article 101 (3)].

(iv) The fourth important factor that led to the 'troika scheme' was the realization, by the Soviets, that in the phase of 'permanent co-existence' (for the stark choice is nuclear holocaust or co-existence between nations), the U.N. must be re-organized with the aim of administering disarmament and controlling a newly-created U.N. force. The whole of the Soviet arguments revolved on the question: Who should control the U.N. if its powers and responsibilities are enhanced? Khrushchev put the Soviet viewpoint very clearly when he said, in 1960, "it has been said that, after an agreement on disarmament has been reached, international force should be formed. We are, in principle, in agreement with this. But the question arises, who will command these forces? The United Nations Secretary-General?... Is it really possible for the fate of millions to be dependent on the actions of the one man occupying that post? There can be no disarmament, there can be no international armed forces in the absence of guarantees for all three groups (of states) against the misuse of these armed forces."<sup>29</sup> The 'troika scheme' was to the Soviets one such important guarantee.

(v) The last Soviet consideration was that no single individual can truly be neutral. On this basis they demanded the resignation of Hammarskjöld. The latter refused to resign unless the small nations, who formed the majority in the U.N., specially asked him to do so. By this strategy,—which was not available to Lie,—he was able to safeguard his position. The interests of the small nations (dependent on the increase in the powers of the General Assembly where they formed the majority) were identical with the major interest of Hammarskjöld himself (to develop the Assembly into an operative body).

It is clear that the Soviet Union did not like increased emphasis being placed on the Assembly (and on the Secretary-General) at the expense of the Security Council. The Soviets, therefore, tried to bring back the use of the veto at the Secretary-General's level when it had become ineffective in the Council. A collegial body of three, with the right to veto, would have paralysed the United Nations Secretariat in a situation where the interests of the rival blocs conflicted with each other. In such a situation the effectiveness of the General Assembly resolutions or even that of the Security Council would have been considerably reduced. The 'troika scheme', if implemented, would turn the United Nations into a forum of 'conference diplomacy', where few operative decisions could be taken, and it would revert itself into an ineffective organization like the League of Nations.



### The Neutrality Issue

The hub of the issue, between a single Secretary-General and a triumvirate, is the question of the neutrality of an international civil servant. On this, Hammarskjöld had very clear and cogent views.<sup>30</sup> He made a distinction between two demands of neutrality. *First*, the demand that a neutral civil servant should not be permitted to take a stand on political issues even when the request came from the General Assembly or the Security Council. This demand, Hammarskjöld pointed out, conflicted with the provisions of the Charter and on that basis he was not willing to abdicate his responsibilities. *Second*, the demand that the international civil servant in carrying out his executive tasks, with political implications, must remain wholly uninfluenced by national interests or ideologies. This demand Hammarskjöld considered as basic to the Charter (article 100), and to the responsibilities of the Secretary-General (articles 98 and 99).

It is obvious that if the United Nations is not to get paralyzed, the control of the Secretariat should remain the sole responsibility of the Secretary-General. The staff of the U.N. will have to be recruited on a geographical basis. But geographical parity, as already indicated, will not solve the dilemma of the neutrality of an international civil servant. S. Lall, a former Assistant Secretary-General of the U.N., has posed this dilemma well. The international civil servant, he says, should "maintain his nationality, but must shed his nationalism."<sup>31</sup> This is the crux of the problem. Even more important than the geographical parity is the question of getting men of integrity. Hammarskjöld once said, "An international civil servant knows himself to be free from such personal influences in his actions and guided solely by the common aims and rules laid down for and by the organization he serves... (if he acts thus) he has done his duty... this is a question of integrity, and if integrity in the sense of respect for law and respect for truth were to drive him into positions of conflict with this or that interest then the conflict is a sign of his neutrality..."<sup>32</sup> In a sense Khrushchev was right when he said that there were no neutral men. He was right in the sense that all men had certain ideas and ideals. Hammarskjöld admitted that he was not neutral as regards the Charter, nor in matters concerning facts. But Khrushchev was wrong in thinking that men of integrity could not *act* impartially, i.e., 'undertake and carry through neutral actions'. A

30. See Wilder Foote, ed., *op. cit.*, pp. 333-40 and 351-52. For Lie's conception of 'neutrality' see : Lie, *op. cit.*, pp. 342-43 and 417-18.

31. S. Lall, "United Nations in Operation", a speech delivered at Sapru House on January 20, 1958, (typed copy), p. 16.

32. Dag Hammarskjöld, *op. cit.*, p. 27.

Secretary-General of the United Nations can be neutral in this true sense where neutrality has any meaning.

### Other Solutions to the 'Troika' Problem

Let us now consider some other re-organization schemes that have taken the Soviet apprehensions seriously.

Guinea and Ghana, with the support of some other non-aligned nations, proposed in 1960, a 'sub-troika' scheme. President Sekou Toure of Guinea, during the debate in the General Assembly, said, "For us, there can be no question of three Secretaries-General but only of one. What we suggest is the establishment of three posts of Assistant Secretary-General to be filled in accordance with the proposals made by the countries representing the three main political trends in the United Nations."<sup>33</sup> A similar proposal was made earlier by the Committee of Experts on the Secretariat. They proposed the appointment of three Deputy Secretaries-General representing 'the main political trends in the world', to help the Secretary-General in the discharge of his political duties.<sup>34</sup> Hammarskjöld's own idea was to have 13 to 14 top-level posts in the Secretariat, out of which five would be political posts, selected on regional basis and responsible for advising the Secretary-General on political problems.<sup>35</sup> U Thant, on his appointment as Acting Secretary-General, announced the names of eight Under-Secretaries, selected on a regional basis, to advise him on the performance of his functions.<sup>36</sup> In actual fact they were chosen by him on a bloc basis: two from the Western bloc (Bunche—U.S.A.; Seynes—France); two from the Communist bloc (Arkadev and later Kiselev—U.S.S.R.; Jiri Nosek—Czechoslovakia); one from Latin America (Tavares de Sa—Brazil); and three from the Afro-Asian bloc (Narasimhan—India; Loutfi—U.A.R.; and Amachree—Nigeria).<sup>37</sup> U Thant has thus reintroduced the idea of the cabinet of eight consisting of top officials of the U.N. Secretariat. This new arrangement is somewhat similar to the one existing in Lie's time. But there are two important differences: (i) U Thant's eight advisers have no *independent* political role to play; and (ii) they have been selected by him on a proportionate regional-bloc basis. A member of the Afro-Asian bloc (Narasimhan) has replaced Andrew Cordier as Under-Secretary for General Assembly and Chef de Cabinet. Narasimhan,

33. GAOR, Fifteenth Session, 869th Plenary Meeting, October 10, 1960, para 80.

34. Committee of Experts..., *op. cit.*, para 37.

35. See the Committee of Experts..., (Comments of the Secretary-General), *op. cit.*, paras 6-30.

36. *United Nations Review*, December 1961, p. 20; also see A.G. Mezerik, ed., *Chronology of the U.N.*, Vol. VIII, No. 9, 1961, p. 43.

37. On the death of Kiselev—a few months back—Loutfi was made Under-Secretary for the Department of Political and Security Council Affairs. Recently Loutfi also died of heart-failure.

along with the two Under-Secretaries for Special Political Affairs (Bunche and Loutfi) form the 'inner cabinet' of the Secretary-General. The growing importance of the Afro-Asian countries is not only visible in the General Assembly, but is also being felt in the higher echelons of the Secretariat. It is too early to give an assessment of these changes. The controversy over the 'troika scheme' is not yet ended. The dilemma it posed is acute but not overpowering.

S. Lall, has proposed a workable scheme to resolve this dilemma.<sup>38</sup> He visualizes a committee of three of the General Assembly (representing the three major power blocs: Communist, Western and Neutral) to guide the Secretary-General in his political activities. The main aim of this committee would be to direct the Secretary-General on the feasibility of controversial actions, and also help him to interpret the general mandates of the General Assembly and (if necessary) of the Security Council. The three committee members would represent their bloc's viewpoint. The affirmative (or negative) vote of two members on any matter would constitute a policy decision which would then be binding on the Secretary-General. Lall thinks that this arrangement would provide a 'protective cushion' to the Secretary-General, without in any way affecting his powers under articles 98 and 99. It may be noted that Lall's scheme also assumes the tri-polar nature of the General Assembly membership. But the basic nature of his scheme would not be affected if the membership of this committee is increased from three to five or seven.

Expounding his views further, S. Lall emphasized that the membership of the proposed committee should be kept as low as possible. The 'essential functions' of the members of the above committee would be, according to him, two: (i) to acquaint the Secretary-General fully and correctly about the thinking of the different groups of countries represented in the U.N.; and (ii) to explore the feasibility of securing maximum agreement between member nations on all controversial issues. To discharge these functions effectively, it is necessary that the members of this committee should, by convention, desist from making public speeches or statements to the press on any issue under negotiation or requiring negotiation between member nations. Thus their work will be 'quiet diplomacy behind the scenes'. It will be the sole responsibility of the Secretary-General to make public statements on all matters dealt with by this committee. In his view, then, the committee would provide a much needed link between the executive (the Secretary-General) and the political bodies (the General Assembly and the Security Council).<sup>39</sup>

38. In a talk with the author on May 2, 1963.

39. Interview with S. Lall on June 6, 1963.

Dag Hammarskjöld also felt the need of *ad hoc* bodies, consisting of small nations, to guide him in carrying out his mandates. He said just before his death, "Another arrangement, which represents a further development—has been the advisory committee of the Secretary-General, such as those on UNEF and the Congo, composed of representatives of Governments most directly concerned with the activity involved, and also representing diverse political positions and interests. These advisory committees have furnished a large measure of the guidance required by the Secretary-General in carrying out his mandates. . . . They have provided an essential link between the judgments of the executive and the consensus of the political bodies"<sup>40</sup> (italics supplied). The main difference between these two schemes is whether a standing committee of direction should be formed within the General Assembly, or whether it should be an *ad hoc* advisory body created for *ad hoc* purposes. Hammarskjöld preferred the latter alternative to keep 'that flexibility which is a matter of course in diplomacy generally.'

It is worth noting that all these proposals have one thing in common. They visualize a single Secretary-General at the head of the Secretariat accountable for all his activities to the policy organs of the U.N. This arrangement should not be disturbed. The adoption of the 'troika scheme' would trifurcate the Secretariat's work and bring it to a standstill. The nations of the world—in their combined wisdom—have to find a solution to the problem posed by the 'troika scheme'. Nansen once said, 'the difficult can be done immediately, the impossible takes a little longer.'

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40. Dag Hammarskjöld, *op. cit.*, p. 26.

# THE CHANGING ROLE OF THE DISTRICT OFFICER\* (1860-1960)

*Haridwar Rai*

## INTRODUCTION

**T**HE head of an Indian district is variously described as the District Magistrate, the Collector or the Deputy Commissioner. He is also referred to, rather loosely from the point of view of law but accurately from the point of view of the responsibilities that he discharges, as the District Officer. In fact, the official designations applied to this officer—Collector, Deputy Commissioner, or District Magistrate—convey but a very imperfect conception of his duties and responsibilities.

When any duty devolves on him by statute, he is referred to as Collector or District Magistrate, but many of these duties have nothing to do with the magisterial or revenue administration. The collection of revenue and the maintenance of law and order were the chief duties of the Magistrate-Collector. They still continue to be his important concern. They form, however, only a fraction of the sum-total of his work. With Independence and the commencement of the Five Year Plans, his responsibilities as a Development Officer have taken precedence over his traditional functions. In the present article an attempt has been made to describe and discuss some important issues that have come up during the last one hundred years of the history of the office.

## I

### THE EVOLUTION OF THE OFFICE

The seventy years preceding the Mutiny were 'strongly formative' in experiments in district administration. They witnessed a struggle for recognition and acceptance between the two schools of district administration—the Cornwallis school and the Munro school. The Cornwallis school of district administration was based on a principle of 'checks and balances' and division of powers. It was opposed to concentration of too much authority in the hands of the Collector,

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\*This is an abridged version of the essay which won the second prize in the IIPA Essay Competition, 1962.

and believed in anglicizing the indigenous administrative system. The Munro school, on the contrary, was impressed by the Mughal tradition of concentration of powers in the hands of one man making him the real ruler of the area in his charge.<sup>1</sup>

In 1786, all the elements that were to constitute "the administrative mosaic of British India"<sup>2</sup> were present, though a coherent administrative pattern had yet to emerge. However, by an important decision made that year, the Court of Directors of the East India Company came to the conclusion that "the Collector should be retained as a permanent feature of local administration,"<sup>3</sup> and ordered the Supreme Council "to combine in the person of the Collector, the offices of Revenue Administrator, Civil Judge, and Magistrate." It was felt that the new administrative arrangement would strengthen the sovereignty of the country and the power of the executive.<sup>4</sup>

Cornwallis was, in principle, opposed to the concentration of revenue and judicial functions. He, therefore, broke with "the personal, authoritarian tradition of Indian Government, and based his work explicitly on the principles of the English political tradition"<sup>5</sup> with which he was well acquainted.

The Magistrate and Collector in the Provinces following the Munro pattern of district administration, such as Bombay, Madras and North Western Provinces during the period 1818 to 1858, was an effective and powerful ruler of the area in his charge and exercised wide discretionary powers. He was "practically a local governor, exercising a wide-ranging superintendence over his district."<sup>6</sup> The Province of Bengal, on the other hand, did not have such a representative of government in its districts who could occupy a position of pre-eminence and primacy and "watch over and promote the general welfare, from every point of view, of the people committed to his charge."<sup>7</sup>

But the Bengal system of district administration under which the district officer was a mere revenue collector underwent a change in 1859. On the recommendations of Halliday, the first Lieutenant-Governor of Bengal, of Dalhousie, and of Canning, it was decided, immediately after the Mutiny, to bring Bengal in line with other Provinces by having its districts under a District Magistrate and

1. Erick Stokes, "The English Utilitarians and India", The Clarendon Press, Oxford, (1959), pp. 1-3.

2. L.M. Penson, "The Bengal Administrative System (1786-1818)", *The Cambridge History of India*, Vol. V, ed. H.H. Dodwell, S. Chand & Co., New Delhi, p. 133.

3. *Ibid.*, p. 133.

4. A. Aspinall, *Cornwallis in Bengal*, Manchester University Press, (1931), p. 132.

5. Erick Stokes, *op. cit.*, p. 4.

6. H.V. Lovett, "District Administration in Bengal, (1818-1858)", *The Cambridge History of India*, Vol. VI, ed. H.H. Dodwell, S. Chand & Co., New Delhi, (1958), p.29.

7. *Ibid.*, p. 28.

Collector. The effect of the Mutiny, though subtle, was decisive on the role of the District Officer. It brought the paternalist system to the height of favour in British estimation. "The Punjab", say Thompson and Garrat, "which had been recently settled in a very direct and personal manner, had shown a very remarkable loyalty to the Company, and the appointment of Sir John Lawrence as Viceroy, in 1864, completed the triumph of this school of thought."<sup>8</sup> From 1860, the general policy was to build up a strong cadre of British officials, encouraging them to tour as much as possible.

## II

### THE DISTRICT OFFICER IN AN ERA OF TRIUMPHANT BUREAUCRACY (1859-1919)

#### *Growth of Special Departments*

An important result of the assumption by the Crown of the governance of India was "a widespread belief that the Company's former actions had often been illegal" and, therefore, "must be regularised."<sup>9</sup> The Indian Council's Act of 1861 was followed by the passing of land revenue, and tenancy laws and by the three codes—the Penal Code, the Criminal Procedure Code, and the Civil Procedure Code. All this legislative activity curtailed the executive and discretionary authority of the District Officer. The Collector, however, continued to be the chief agent of government in his district; he continued to be responsible for its law and order and well-being. But as time passed, his duties came to be discharged in a different manner and by changed methods.

The elaboration of public business led to the division of administration among a number of new departments, usually of a highly specialised nature, tending to absorb part of the duties for which the District Officer had been exclusively responsible. These new activities demanded a technical knowledge which could be acquired only by special training, and so the control which the Collector had formerly exercised over them in his district was in part replaced by that of departmental chiefs represented in each district by their officials. There developed, as a consequence, right through the system "a growing rigidity, hardening of arteries, an increasing uniformity, a sense of superiority and a lack of human sympathy, more red-tape, more office work, loss of the old direct human rule of one man..."<sup>10</sup>

8. E. Thompson and G.T. Garrat, *Rise and Fulfilment of British Rule in India*, Central Book Depot, Allahabad, (1954), p. 424.

9. *Ibid.*, p. 426.

10. Philip Woodruff, *The Men Who Ruled India: The Guardians*, London, (1954), p. 14.

The District Officer gradually came to pass more of his time at headquarters, less on tour. The telegraph cut down his discretion, just as it cut down the local Governor's and even the Governor-General's, and the closer touch between Government and local officers made it increasingly necessary for the latter "to solicit sanction before taking action and not to act in anticipation of it."<sup>11</sup>

It was at such a time that Sir George Campbell, one of the staunchest of the paternal school, was appointed Lieutenant-Governor of Bengal. He intended "to govern actively,"<sup>12</sup> by which he meant "to use the power and influence of the executive more actively and decidedly in promoting... the honest performance by each class of the obligations which undoubtedly attach to it by law or otherwise..."<sup>13</sup> His important official move to this end was to strengthen the position of the District Officer in the district so that the latter as Government representative could help him in governing more actively. He was, therefore, anxious to see that "district level officers of specialised departments should not have too many masters and that the District Officer should control the local departments."<sup>14</sup> He accordingly introduced changes to make the Heads of Departments the agents and inspectors on the part of Government, bound to aid, counsel and guide their local officers, each in his own department, without exercising local authority over them. He desired to make "the Magistrate-Collectors, no longer the drudges of many departments and masters of none but in fact the general controlling authority over all departments in each district,"<sup>15</sup> and "the real executive chief and administrator of the tract of country committed to him, and supreme over everyone and everything, except the proceedings of the court of Justice."<sup>16</sup>

However, this clear and unequivocal primacy of the District Officer was confined to his dealings with the police in the district. Other district level heads could not be so clearly brought under his direct control. In purely technical aspects of their operations they continued to be guided and supervised by their superiors at the Provincial headquarters, though even here plenty of vagueness persisted. Though this did not greatly affect his pre-eminence within the area of his authority, it enormously increased his office work and also reduced his capacity to deal directly and personally with the affairs of his

11. L.S.S. O'Malley, *The Indian Civil Service, 1601-1930*, John Murray, London, (1931), p. 110.

12. C.E. Buckland, *Bengal Under the Lieutenant-Governors*, Vol. I, Calcutta (second edition, 1902), p. 519.

13. *Ibid.*, p. 519.

14. *Report on the Administration of Bengal, (1871-72)*, Calcutta, (1872), p. 65.

15. *Ibid.*, p. 66.

16. *Ibid.*, p. 67.



district. Towards the close of the Viceroyalty of Lord Curzon it became increasingly apparent that civil servants in districts "were generally tied to their desks and found little time for informal contact with the people of their districts."<sup>17</sup>

### *The Beginning of the Present Century*

The Royal Commission upon Decentralisation (1907-1909) which studied the position of the District Officer very carefully found that his position had been materially reduced and recommended that "his position as administrative head of the district should be recognized by officers of all special departments."<sup>18</sup> The Commission underlined the unifying influence of the District Officer over the various branches of Government work in a district and recommended that he should "be entitled to call for any information which he thinks fit from them (officers of special departments), and to have such information given to him spontaneously in matters of importance, while any views he may express should receive the fullest consideration."<sup>19</sup>

The changes that came in the wake of the reforms of 1909 were not intended to affect district administration, though in the secretariats "men wondered how it would be possible to carry on Government at all. Indeed, all through the reforms period, the district officer took things less tragically than his masters."<sup>20</sup> The District Officer, however, came to be more overburdened with office work and he could not be "reasonably expected either to become well-acquainted with the people of his district or to exercise over his subordinates that watchful and sympathetic control that is essential to good administration."<sup>21</sup>

It must, however, be noted that even towards the close of this period, the District Officer, in spite of considerable weakening in his position vis-a-vis other officers of special departments, continued to be the general representative of Government in his district and in varying degrees influenced the policy in all these matters. "He is always there in the background to lend his support or, if need be, to mediate between a specialised service and the people."<sup>22</sup> He was still much more than a *primus inter pares* and acted as "a direct representative of

17. H.V. Lovett, *op. cit.*, p. 252.

18. Report of *The Royal Commission Upon Decentralisation In India*, vol. I, (1909), para. 539.

19. *Ibid.*, para 539.

20. P. Woodruff, *op. cit.*, p. 218.

21. *Report of the Bengal District Administration Committee* (1913-1914), Calcutta, (1914), p. 18.

22. *Report on Indian Constitutional Reforms*, Calcutta, (1918), p. 80.

Government to whom complaints on every conceivable subject can be addressed, and through whom the Government can act."<sup>23</sup>

### III

#### THE DISTRICT OFFICER IN A PERIOD OF CONSTITUTIONAL REFORMS (1919-47)

##### *The Effect of the 1919 Reforms on the Position of the District Officer*

Up to 1909 at all events, and even in some measure up to 1919, Government had been, in its essentials, at one with the civil service. The I.C.S. had been a great ruling corporation and had not been a civil service in the English sense. The I.C.S. man had been mainly responsible to men in his own Service, and ultimately to the Secretary of State for India. He had wielded administrative, executive, judicial and political power. He had been the system of Government, and, in the ultimate analysis, the Government itself. But under the Montagu-Chelmsford reforms of 1919 all this had to go. The I.C.S. were to work in the context of a new power-structure which had come into existence with the implementation of the reforms in the form of "a Legislative Council in which the majority of the members are elected."<sup>24</sup> The new power affected district administration in various ways.

The influence of the new Legislative Council accentuated the tendency to make departmental activities independent of District Officer, especially in the transferred departments, such as Education, Excise, Agriculture, Co-operative Credit and Industries. Under the old set-up, the advice of the District Officer was sought on questions of policy, and reliance was placed on the advice he gave. Under the new system, although the District Officer was still consulted, the views of the Legislative Council and local politicians came to carry more weight than before, and the decisions on both questions of policy and matters of local importance came to be governed by considerations of political expediency.<sup>25</sup> The result was a contraction of the influence of the District Officer both in relation to Government and in local affairs and a reduction of the scope of his initiative. The District Officer was left ordinarily with the duties of enforcing law and order through his control of the magistracy and police, and of collecting the land revenue and other public demands. His were the duties, says a

23. *Ibid.*, p. 81.

24. *Report on the Working of the Reformed Constitution in Bengal, 1921-27*, Government of Bengal, Appointment Department (Reforms), Bengal Secretariat Book Depot, Calcutta, (1929), p. 188.

25. *Ibid.*, p. 189.

report, "of maintaining the fabric of Government and securing a good part of the revenue needed for such maintenance as well as for the benevolent activities of Government in which he has no longer much share."<sup>26</sup>

The duties of the District Officer in his capacity as Collector did not alter appreciably as a result of the reforms. But as District Magistrate, the District Officer, in most of the Provinces, had, for the most part, a much more anxious time during the reforms period than before. It was his duty to combat the non-co-operation movement and in a great many districts the possibility of serious clashes between the Hindus and the Muhammedans had to be faced on a growing number of occasions.

A basic change that came about in the position of the District Officer as a result of the reforms was a change in respect of his relation with local bodies. This change was "by far the greatest."<sup>27</sup> His function vis-a-vis the local bodies, particularly the District Board, became limited to the right to intervene, to prevent action calculated to lead to a breach of the peace or to grave injustice to sections of the population, and to the duty of inspecting the local bodies and reporting his views to the Ministry. It was an extension of the principle of dyarchy into the districts.<sup>28</sup>

The introduction of the reforms was not looked upon with approval by a large number of District Officers who were all members of the I.C.S. Even a small measure of popular control, considerably diluted though it was, appeared to them to undermine the whole administrative structure built up assiduously by their predecessors. The Report of the Government of Bihar and Orissa on the Working of the Reformed Constitution (1923-26) is representative of the views of such a critical and hostile section of the members of the I.C.S. It says, "The position of the district officer has definitely changed for the worse...the new system has inevitably diminished his efficiency."<sup>29</sup> But the Report of a committee appointed by the U.P. Legislative Council to co-operate with the Indian Statutory Commission struck a significantly different note probably because it was presided over by a non-official and consisted of members of the Council. "It is true", the Report admitted, "that there is a tendency on the part of Government which has to justify its actions before a legislature,

26. *Memorandum submitted by the Government of Bihar and Orissa to the Indian Statutory Commission*, Vol. XII, H.M.S.O., London, (1930), p. 293.

27. *Report on the Working of the Reformed Constitution in Bengal (1921-27)*, op. cit., p. 189.

28. *Memorandum submitted by the Government of Bihar and Orissa to the Indian Statutory Commission*, op. cit., p. 292.

29. *Report on the Reformed Constitution (1923-26) in Bihar and Orissa*. See, *Reports on the Working of the Reformed Constitution (1928)*, p. 424.

not to leave entire discretion in the hands of their local officers. This may have resulted in some curtailment of the exercise of the powers vested in the district officer, but no concrete cases have been cited to show that the district officer has found himself hampered in the discharge of his burden of responsibility under the existing system of Government."<sup>30</sup> But the fact remained that the I.C.S. disliked the Montagu-Chelmsford reforms and looked upon the act of 1919 "as a fatuous, foolish and premature measure which was doomed to failure."<sup>31</sup> "It had, therefore to be proved a failure", remarks Wilson, "regardless of the fact that in proving it a failure, the flames of a wider and much more ambitious movement were being fanned by these bureaucratic and wrecking Bourbons..."<sup>32</sup>

The working of the reforms, however, did not affect the dual capacity of the District Officer and he still remained "the principal executive agent of government, the one man who can get things done, whether it be the repression on the outbreak of disorder...or...the initiative of a child welfare movement..."<sup>33</sup> He had still very great prestige among the inhabitants of the district. He was the embodiment of Government to most of them. He wielded large powers of patronage and was responsible for making a large number of appointments. His recommendations for honorary magistracies and nominated memberships of all local bodies were ordinarily accepted. He granted seats at ceremonial functions such as "darbars" and the coveted Indian titles and honours and other rewards were conferred at his suggestion.

The Simon Commission which was not in favour of any further weakening of the position of the District Officer opined that in spite of changes or adjustments the District Officer must remain a very important person in the district, "the embodiment of effective authority, and the resource to whom the country-side turns in time of difficulty or crisis."<sup>34</sup> The Commission, therefore, defined the relations between the District Officer and the district heads of technical departments and the Superintendent of Police in such a way as to ensure the primacy of the former as the head of the district and recommended that "except in matters of the pure routine the Collectors must be informed of almost every activity in all these departments."<sup>35</sup>

30. *Report of the Committee appointed by the United Provinces Legislative Council to Co-operate with the Indian Statutory Commission*, (1929), p. 25.

31. Frederick William Wilson, *The Indian Chaos*, London, (1932), p. 29.

32. *Ibid.*, p. 30.

33. *Memorandum submitted by the Government of the United Provinces to the Indian Statutory Commission*, Vol. IX, H.M.S.O., London, (1930), p. 47.

34. *Indian Statutory Commission*, Vol. I, H.M.S.O., London, (1930), p. 291.

35. *Ibid.*, p. 286.

### *The Impact of Provincial Autonomy on the Office*

The working of the Reformed Constitution of 1919 over a period of time had obliged the District Officer to adjust himself, even if with reluctance and sometimes cynical disdain, to new demands and changed conditions. The new change under the scheme of Provincial autonomy came to be viewed by the District Officer "with feelings resigned and wary. On the whole, however, the change proved less startling than might have been expected."<sup>36</sup> He had now to work in juxtaposition with the district organisation of the party running the Provincial administration.

The change brought about by the inauguration of the Provincial autonomy was a change in emphasis as to the functions of Government. It had been the basic assumption in earlier days that the District Officer "must concentrate on the first essentials—public order, the swift administration of justice, the prompt payment of taxes moderately assessed, the maintenance of accurate and up to date land records which would prevent disputes. Those had been the four first things."<sup>37</sup> But popular governments, particularly Congress Governments, chalked out ambitious programmes of reconstruction and rural development. By 1939, the year the Indian National Congress laid down the reins of Government, the emphasis had changed, and rural upliftment, co-operative banks and village panchayats had come to be regarded as the first concern of the Government.

The District Officer was in charge of these schemes in villages. In addition, he had to add to his already countless duties "the maddening and infructuous business of answering questions, whether put down for formal answer in the House or sent informally direct, the host of subjects included under the head Rural Development, and the labour of persuading where he had been used to command."<sup>38</sup> Consequently, his office work increased, he became more circumspect, he did not always find it possible to check land records, and cases took longer and longer to be settled.

## IV

### THE DISTRICT OFFICER AFTER INDEPENDENCE

#### *The District Officer and Democracy*

After Independence, one of the major problems that faced the country was the relationship between the civil servant and the newly

36. Philip Woodruff, *op. cit.*, p. 273.

37. *Ibid.*, p. 303.

38. *Ibid.*, p. 303.

created organs of the Government. The initial reaction of the democratically constituted governments and legislatures to civil servants was one of distrust and even hostility, for an important plank of the national struggle against the British was the denunciation of the Civil Service which was, in the beginning, mostly British. It was, however, soon overcome because of a deep sense of patriotism and loyalty to the Constitution displayed by the Civil Servants.

### *The District Officer and Technical or Development Departments*

An important thing which was discovered on the eve of and immediately after Independence was that the feeling of departmental loyalties on the part of officers of other departments in the district was much rampant, and that the District Officer had no power to force them to comply with his orders. His position vis-a-vis heads of technical departments in the district had become, says the Bengal Administration Enquiry Committee, "thoroughly unsatisfactory both from the point of view of efficiency of the Government machine and the welfare of the people in the district."<sup>39</sup>

An important consequence of this situation was "the independent and disconnected activities of Government in the mufassal which had reached a point of confusion."<sup>40</sup> The practice, in fact, was that whenever the Government wished to take up any new activity, it created a new department by putting a highly paid and well-qualified man at the Government headquarters as Director or Chief with a few regional officers. They were followed by District Officers, gazetted or non-gazetted, at the district level simultaneously or at a later stage, a few field workers were let loose in unmanageable areas without proper training, equipment and facilities. There was no coordination worth the name between the activities of the field staff of any two departments, and they had no sense of 'common objectives'.<sup>41</sup> The result was that "development activities in the district lacked unity of approach and were always hampered for want of sufficient field staff for carrying out extension work."<sup>42</sup>

### *The District Officer in Development Administration*

An outstanding feature of the programme introduced since Independence in villages is the Community Development and National

39. *Report of the Bengal Administration Enquiry Committee*, (1944-45), Superintendent, Government Printing, Bengal Government Press, Alipore, (1945), para 64.

40. *Ibid.*, para 66.

41. *Report of the Grow More Food Enquiry Committee*, Government of India, Ministry of Food and Agriculture, (June, 1952), p. 53.

42. *The First Five Year Plan*, Planning Commission, New Delhi, p. 129.

Extension Service. It was only appropriate, therefore, that the two reports<sup>43</sup> which influenced most the structure of administrative organisation for implementing these programmes suggested a common extension machinery on behalf of the principal development departments of Government.

The Grow More Food Enquiry Committee underlined the need for "an organisation for intensive rural work which would reach every farmer and assist in the co-ordinated development of rural life as a whole..."<sup>44</sup> and proposed that since the district occupied an important place in the administrative organisation "the development activities should be unified under the Collector as Extension Officer assisted by the Specialist Officers."<sup>45</sup> The Planning Commission also suggested that the re-organisation of district administration should provide for:

"(1) strengthening and improvement of the machinery of general administration...

.....  
(3) integration of activities of various development departments in the district and the provision of a common extension organisation..."<sup>46</sup>

The Planning Commission emphasised that in making the detailed administrative arrangements, the States should keep in view an essential point, that is, "the position of the Collector as the head of the district, with the district officers of the development departments working with him as a team."<sup>47</sup>

These suggestions were not only logical but also natural because in the past the role of the Collector as "the Government's principal representative,"<sup>48</sup> had come to be recognized and accepted. Besides this, his functions were never entirely regulatory, and in course of years a great deal of development functions had come to be grafted on his original regulatory functions. He was, by virtue of his position in the official hierarchy, the natural leader of the official team at the district level. He was also capable of becoming a multi-purpose man and was expected to take the lead in the development of the areas entrusted to him.

It took, however, a few years before the District Officer could actually assume the role intended for him in the development administration. The Community Development Project Administration, which

43. These two reports are : the *Report of the Grow More Food Enquiry Committee* and the *First Five Year Plan*.

44. *Report of the Grow More Food Enquiry Committee*, op. cit., p. 53.

45. *Ibid.*, p. 63.

46. *The First Five Year Plan*, Planning Commission, p. 130.

47. *Ibid.*, p. 130.

48. *Ibid.*, p. 128.

was inaugurated in October 1952, was, initially, not an organic part of the normal administrative machinery and the project areas were "virtual islands in the existing administration."<sup>49</sup> The Project Executive Officer had to work directly under the control and supervision of the Development Commissioner, and the District Officer was completely out of the line of the development administration.

Consequent on the opening of the N.E.S. Blocks, the programme further expanded and the Development Commissioner found it increasingly difficult to exercise proper supervision and control, to provide for supplies like iron, steel, cement, seeds, fertilizers etc., and to ensure the flow of the best technical advice available to the field worker. Speedy execution of the programmes was also being hampered by lack of proper delegation of financial and administrative authority.<sup>50</sup>

The experience of the working of the Community Development Projects (basic type) of 1952 further made it clear that it was not adequate to bring about co-ordination among the various heads of departments at the State headquarters. In order to make this a success, it was necessary to ensure co-ordination among the district and sub-divisional heads of departments. The obvious course, therefore, was to confer on the District Officer the kind of co-ordinational functions which had been conferred on the Development Commissioner at the State level, otherwise "neither unity of quality, nor speed of progress can be maintained."<sup>51</sup>

By 1955, such a suggestion was "universally accepted in principle"<sup>52</sup> and the Collector was "well on the way to becoming the principal development and welfare officer of the district."<sup>53</sup> The progress towards actively associating him with the execution of development programmes went apace in the subsequent years and the entire programme came to be integrated, in course of time, into the administrative system of the country. The U.N. Evaluation Mission Report found in 1959 that "the line of authority and supervision was that if the general administration",<sup>54</sup> and that the Collector functioned "as

49. *Road to Welfare State*, The Publications Division, Government of India, New Delhi, (second edition, 1957), p. 19.

50. U.L. Goswami, "The Structure of Development Administration", *The Indian Journal of Public Administration*, Vol. I, No. 2, April-June, 1955, p.110.

51. *Evaluation Report on the First Year's Working of Community Projects*, Planning Commission, P.E.O., (1954), p. 12.

52. *Evaluation Report on the Second Year's Working of Community Projects*, Vol. I, Planning Commission, P.E.O., (1955), p. 5.

53. *Ibid.*, p. 4.

54. M.J. Caldwell, R. Dumont & M. Read, *Report of a Community Development Evaluation Mission in India*, (Under the U.N. Programme of Technical Assistance) Ministry of Community Development and Co-operation, Government of India, (1959), p. 13.



the co-ordinating officer and the captain of a team consisting of technical officers of the respective development Departments".<sup>55</sup>

The pattern of supervisory authority and control of the Collector can be said to have a theoretical basis in what is called "dual hierarchy" which, according to Dimock and Dimock, "is so far the best method of solving the problems of co-ordination."<sup>56</sup> This theory was first brought into prominence by Arthur W. Macmahon, John D. Millet and Gladys Ogden in their book, *The Administration of Federal Work Relief*.<sup>57</sup> This theory is a vital organisational concept and John D. Millet is of opinion that "only in the theory of dual supervision will we find the means of building an integrated field structure for administrative operations."<sup>58</sup> It rests on a dichotomy between the specialist and the generalist and assumes a dual line of supervision and control from the top down and a dual set of loyalties from the bottom up. "The crux of the problem", remark Dimock and Dimock, "is that certain officers must be 'administratively' responsible to one superior and 'technically' responsible to another."<sup>59</sup>

District administrative organisation in India, like the Prefect system in Western European countries, is an example of the system of integrated field structure, with an area specialist at the head of it. "Area administration with one officer having over-all charge of a particular area has long been a basic concept in Indian administration."<sup>60</sup> The District Officer embodies the principle of organisation by area and the principle of general administration.

#### *The District Officer in the Scheme of Democratic Decentralisation*

With the publication of the Balwantray Mehta Study Team Report (1957), "the most influential survey of local administration which has appeared since Independence",<sup>61</sup> the question as to what place the District Officer should occupy in the scheme of democratic-decentralisation came to agitate the minds of the planners and administer. The Mehta Team itself recommended that "the Collector will be the Chairman of the Zila Parishad and one of his officers will be

55. *Ibid.*, p. 13.

56. Marshall E. Dimock & Gladys Ogden Dimock, *Public Administration*, Rinehart & Co., Inc., New York & Toronto, (1954), p. 331.

57. Arthur W. Macmahon, John D. Millet, and Gladys Ogden, *The Administration of Federal Work Relief*, Chicago, (1941), pp. 264-68.

58. John D. Millet, *New Horizons in Public Administration: A Symposium*, University of Alabama Press, (1945), p. 99.

59. Dimock & Dimock, *op. cit.*, p. 331.

60. V. Nath, "Area Development", *Kurukshetra*, Anniversary Number, Vol. 6, No. 1, October 2, 1957, p. 45.

61. Hugh Tinker, "Authority and Community in Village India", *EROPA Review*, Vol. I, No. 1, December, 1960, p. 119.

the Secretary.”<sup>62</sup> The first official conference held at Bangalore in November 1960 studied this problem carefully and resolved:

“The Collector should be kept outside the three-tier system and should be the agent of the Government informed of the happenings and the general trend of events, and, where the Government so decides, to take necessary corrective action. For these purposes, he may be entitled to attend the meetings of the *Zila Parishad/Panchayati Samiti* or its sub-committees and also call for their records.”<sup>63</sup>

A few months later this question, among others, was discussed at the Tenth Development Commissioners’ Conference in July 1961. at Hyderabad. The question framed for discussion was as follows:

“What should be the proper relationship between officials and non-officials? In particular, what place should the Collector occupy in the *Zila Parishad*?”<sup>64</sup>

The Conference discussed the question in much detail and resolved that “the Collector should keep in constant touch with the *Zila Parishad* with regard to the planning and implementation of the various development programmes,”<sup>65</sup> but it left to the States to experiment on one of the four available alternatives, namely:

- (i) The Collector should be fully associated with the *Panchayati Raj* institutions and should be a member and chairman of the *Zila Parishad*.
- (ii) The Collector should be a member of the *Zila Parishad* and Chairman of all its Standing Committees.
- (iii) The Collector should be just a member of the *Zila Parishad* with or without a right to vote.
- (iv) He should be completely outside the *Zila Parishad* but with a right to take part in the deliberations whenever he considers this necessary.

To these alternatives may be added a fifth one which has been proposed by an important group of public men, Association of Voluntary Agencies for Rural Development.<sup>66</sup> The alternative is:

62. *Report of the Team for the Study of Community Projects and National Extension Service I*, p. 19.

63. *Kurukshetra*, Vol. 9, No. 4, January, 1961, p. 12.

64. Hyderabad Conference Special, *Kurukshetra*, Vol. 9, No. 12, September 1961, p. 4.

65. *Ibid.*, p. 19.

66. The Association of Voluntary Agencies for Rural Development is a voluntary organisation devoted to the welfare of rural community through development of mutual cooperation and understanding among voluntary agencies. (Vide : *Report of the Study Team on Democratic Decentralisation in Rajasthan*, 1961, p. 19). Also see *Report of a Study Team on Panchayati Raj in Andhra Pradesh*, 1961, p. 37. The Chairman of the Executive Committee of AVARD is Jayaprakash Narayan, the Sarvodaya leader.

The Collector should be the Chief Executive Officer of the Zila Parishad.

It may be said in favour of the fourth alternative that as an official the District Officer has no place in a purely elective body. He should, therefore, function as an agent and representative of State Government reporting to it periodically about the activities of the Zila Parishad and other Panchayati Raj institutions much in the same manner as he does for the municipalities today or did for the District Board previously. The merit in this suggestion is that it relieves the Collector of a great deal of work and enables him to function as an umpire removed from the din and bustle of local politics. The Maharashtra Committee on Democratic Decentralisation opined that the Collector should be outside the Zila Parishad so that "the Government will have in him an independent officer who can also evaluate impartially the functioning of the local body and who will also be available for keeping Government informed on any matter which is of sufficient importance."<sup>67</sup>

It seems, however, that complete isolation of the District Officer, as suggested by the Maharashtra Committee, from the work of the Zila Parishad will amount to his complete separation from the main stream of development efforts in the district. It is difficult to see in what manner he can watch the work of the Zila Parishad unless he has a right to participate in its deliberations whenever he deems it necessary. The exhortation in the Third Five Year Plan to the District Officer to "assist democratic institutions...in developing the right conventions in the day to day work..."<sup>68</sup> would remain a will-o'-the-wisp. It is felt that his occasional presence in the Zila Parishad, when an important matter is being discussed, will furnish to the Parishad the advice and guidance of a mature and experienced officer who has considerable prestige in the eyes of the people. But he should not be a voting member of the Zila Parishad for he should be embroiled in group politics in the district. His presence should be to clear up certain misunderstandings, to provide some important information, or to give a mature and impartial advice to the Zila Parishad on a controversial or difficult question.

An important section of public men is of opinion that the District Officer should be the Chief Executive Officer of the Zila Parishad in the same way as the B.D.O. is the Chief Executive Officer of the Panchayat Samiti.<sup>69</sup> In order that the State Government is not weakened

67. *Report of the Committee on Democratic Decentralisation*, Government of Maharashtra, (1961), p. 101.

68. *Third Five Year Plan*, Government of India, Planning Commission, (1961), p. 340.

69. *Report of a Study Team on Democratic Decentralisation in Rajasthan*, AVARD, (1961), p. 19.

in relation to these bodies, the AVARD Study Team suggests that "The State Government...can arm itself with the same powers of cancellation and suspension of resolutions in respect of the Zila Parishad as it has in respect of the Panchayat Samiti." With regard to the emergency powers of the District Officer, the AVARD Report on Panchayati Raj in Andhra Pradesh has observed that "he could have an independent jurisdiction regarding law and order. In a similar way he should be free to execute such duties as the State Government directs him to do."<sup>70</sup>

But it is difficult to visualise how a Collector subordinate to the Zila Parishad as its executive officer can exercise responsibility towards law and order independently or perform other duties as prescribed by the State Government without being a suspect to the Zila Parishad. With the District Officer subordinate to the Zila Parishad, the State Government will be left without any independent observer on the district scene.<sup>71</sup> The new role of the District Officer, therefore, in relation to the Zila Parishad should involve periodical and informal discussion of affairs of the Zila Parishad and senior officers of development departments in the district. It should be the duty of the Chief Executive Officer of the Zila Parishad to keep the District Officer regularly informed of the intentions and actions of the Zila Parishad and to avail himself of his advice. It should also be possible for the chairman of the Zila Parishad and the District Officer to meet at least twice a month and discuss matters relating to the development of the district with special reference to the activities of the Zila Parishad. It would be from such consultations that the District Officer would be able to know when to offer the general advice to the Zila Parishad by being present in its meetings.

There is a mist of uncertainty surrounding the future role of the District Officer in Panchayati Raj. There are two schools of thought easily discernible through the mist. One like the AVARD regards the District Officer as a sort of scaffolding which is used when a building is in progress, but which must be removed once the building has been completed. But this school is not able to say precisely when the 'scaffolding' should be removed.<sup>72</sup> The other school consisting of

70. *Report of a Study Team on Panchayati Raj in Andhra Pradesh*, (1961), p. 37.

71. *The Maharashtra Committee on Democratic Decentralisation* has objected to the Collector becoming the Executive Officer of the Zila Parishad. It says, "The Collector's appointment as Chief Executive Officer is also likely to place him in an embarrassing position as he will have to divide his loyalty between the Government and the Council. ...His position will become particularly difficult in matters where there is difference of opinion between the Government and the Council. It will be extremely difficult for him to divide his loyalties in compartments and show different personalities at different times according to the authority under which he is operating." (*Vide Report*, p. 102)

72. *Report of a Study Team on Panchayati Raj in Andhra Pradesh*, p. 37. It says, "The Collector should work as the Secretary of the Zila Parishad, so far as the development

planners and administrators holds that even with the establishment of a full-fledged Panchayati Raj the office of the District Officer should continue, for the State Government must have a trusted agent in the district to act as the ultimate authority for maintaining law and order and as a focal point for common local interests between various authorities.<sup>73</sup>

## V

THE TRADITIONAL FUNCTIONS OF THE DISTRICT OFFICER:  
CHANGES AFTER INDEPENDENCE

*District Officer as Collector*

For long the revenue administration was the only centre of Government in the district and absorbed all the governmental authority that operated in the district.<sup>74</sup> In its early days the administration in the district was conducted by a single organisation which the Revenue Department and the District Officer represented. It was a multi-purpose department and the officers of the department were multi-purpose functionaries. After Independence changes have taken place in the nature and contents of his revenue functions. The abolition of zamindaris has placed new responsibilities on him. Instead of dealing with a few intermediaries responsible for the payment of land revenue, he has now to deal with hundreds of thousands of cultivators in connection with land revenue, canal dues, taccavi loans, and many other such things. A huge staff ranging from Karmacharis to Circle Officers has to be engaged and supervised and their service conditions and other things have to be looked into.<sup>75</sup>

departments are concerned. He could have an independent jurisdiction regarding law and order...This, of course, will be a necessary preliminary step to the complete transfer of all the present functions of Government to the Zila Parishad."

73. *The First and Second Five Year Plans* suggested various measures for strengthening the position of the District Officer. *The Third Five Year Plan* also assigned an important role to the District Officer in facilitating the success of Panchayati Raj and implementing development programmes. It says: "He has the duty of ensuring co-ordination at the district level between the Zila Parishad and the technical officers in different fields... and a continuing flow of technical advice and guidance from departments at the state level." (Vide: p. 340) *The Maharashtra Committee on Democratic Decentralisation*, which is said to be more radical in its approach to democratic decentralisation than the *Mehta Study Team*, favoured the retention of "the state sector" in the hands of the District Officer. It did not foresee a complete transfer of the whole gamut of district administration to the Panchayati Raj institutions.

74. M. Ruthnaswamy, *Some Influences That Made the British Administrative System in India*, Lucz & Co., London, (1939), p. 321.

Ruthnaswamy observes: "Not tribal settlements, nor historical influences, nor political considerations—such as created the English county or the French province of the ancient regime—created the Indian district. It was the offspring like the French department of the Revolution of administrative convenience."

75. This is especially true of Bihar whose land revenue administration was governed by the Permanent Settlement of 1793, and which, before independence, did not have revenue agencies below the Sub-Divisional Officer.

Land ceiling laws, levy on land improvement and agricultural income-tax have imposed additional burden on him. Political pressures, in the process of realisation of taxes and dues like taccavi, canal, etc., are occasionally brought to bear upon his officers. Complete recovery of dues is an ideal difficult of realisation.

Consolidation of land holdings and land acquisition are other problems of very difficult nature subsequent to Independence. Land acquisition used to be nominal before Independence. Now, due to various industrial projects and development schemes, considerable land has to be acquired for public purposes. Though he is assisted in the discharge of his heavy revenue work by an Additional Collector or a Revenue Officer, as the case may be, the main brunt of responsibility has to be borne by him. He is also called upon to dispose of a specified number of revenue cases, besides inspecting Tahsil and sub-divisional offices. Though in some of the States the task of rent collection is being gradually made over to the village panchayats, the ultimate responsibility still rests with the Collector.

#### *The District Officer as Magistrate*

The magisterial functions of the District Officer may be dealt with under: (i) maintenance of law and order, and (ii) trial of criminal cases and supervision of magisterial courts, that is, functions which are essentially judicial.

##### (i) The maintenance of law and order:

The first set of magisterial functions has two facets; (1) the detection and prevention of crime in general, and (2) the prevention and quelling of riots and more serious disturbances. The first is performed mainly by the police, but in the performance of the second, the District Magistrate plays an important part. The relation between the District Magistrate and the Police is delicate and ill-defined. On the one hand, the police of the district have to work under the District Superintendent of Police and no one else, but on the other the District Magistrate is required to exercise a general control over the criminal administration.

Before Independence, the District Magistrate and the District Superintendent of Police, usually, worked together in harmony and co-operation, but instances of clash between them are now often cited. The Uttar Pradesh Police Commission (1960-61) has found that the existing relationship between the District Magistrate and the District Superintendent of Police, based on Section 4 of the Police Act (Act V of 1861), which used to be taken for granted, has assumed the character of a 'controversy'. It is now being argued by the Police

that "the exercise of supervisory powers by the District Magistrate weakens the authority and reduces the position of the Superintendent of Police."<sup>76</sup> A similar controversy was raised before the Bihar Police Commission (1961) which examined the relationship that should exist between the District Magistrate and the Superintendent of Police. The Commission was of opinion that "the present conflict, wherever existing, is due more to a conflict of personalities than a conflict of the system itself."<sup>77</sup> It did not recommend a radical change in the relationship which has been existing between the two since 1861.

(ii) The trial of criminal cases and supervision of Magisterial Courts:

This particular aspect of the Collector's magisterial functions has been affected in those States or parts of States where the scheme of separation of judicial and executive functions has been introduced. The separation scheme of the State of Bihar might illustrate to what extent the magisterial (judicial) powers of the District Magistrate have been affected. The scheme envisages that all Magistrates and Munsif-Magistrates trying criminal cases will be under the control of the High Court through the Sessions Judges, and that the District Magistrates and Sub-Divisional Magistrates will not have any control over them nor will they have anything further to do with a criminal case after it has been transferred for trial to a Munsif or a Judicial Magistrate. It is only the Sessions Judge who is to record annual confidential remarks on the work and conduct of the Magistrates employed on the judicial side. In the matter of vesting the Judicial Magistrates with higher powers the Sessions Judge is to be consulted. The High Court has been vested with the powers of transfer and posting of, and grant of leave to, Judicial Magistrates.<sup>78</sup>

Now, under the separation scheme, the District Magistrate does not inspect trial-registers and case records. Inspections are done by the Sessions and Assistant Sessions Judges and the responsibility for proper and speedy disposal of cases is theirs. Functions, however, which are essentially police functions, e.g., the handling of law and order and those of an administrative character, e.g., issue of licenses for firearms, continue to be discharged by the District Magistrate and executive magistrates subordinate to him.

76. *Report of the Uttar Pradesh Police Commission* (1960-61), Superintendent, Printing and Stationery, Allahabad, (1961), p. 15.

77. *Report of the Bihar Police Commission* (1961), Superintendent, Secretariat Press, Patna, (1961), p. 150.

78. See Bihar Government's Additional Secretary's Letter No. II-HI-301/50-A-11860 dated December 20, 1950, *Compendium of Circulars and Orders of Appointment Department*, Cabinet Secretariat, Government of Bihar, 1961, pp. 696-701.


## VI

## CONCLUSION

The institution of the District Officer has a long history behind it. From time to time there have been changes, additions and subtractions in the duties of the District Officer. But on the whole his duties have expanded while his powers have diminished. With the outbreak of the Mutiny the paternalist system of district administration came into prominence resulting in the absolute supremacy of the Collector in the district. This trend was, however, soon countered by the growth of governmental functions demanding specialised direction and treatment.

The introduction of dyarchy in 1921 which transferred the control of nation-building departments to Ministers further restricted his powers. During the Second World War and the post-war period, his functions came to expand for a short while, but simultaneously a tendency to departmental autonomy and disconnected functioning of technical departments was also discernible. With the separation of judiciary, the District Officer became more and more exclusively an executive magistrate and a collector of revenue.

In the context of Community Development and N.E.S. Programmes, he was recently invested with co-ordinational and supervisory power over the district heads of technical departments. But again, a tendency in the opposite direction is appearing with the introduction of Panchayati Raj. Under this scheme, his extension functions are being transferred to local bodies and he is being entrusted with the task of guiding, educating and advising them. Full implications of the impact of the scheme on his office are not yet in sight. But it is not unlikely that after the successful working of the Panchayati Raj institutions over a reasonable period of time, he may be left with regulatory functions alone.





## INSTITUTE NEWS

The Institute has announced the IIPA Essay Competition for 1963, the subjects being: (a) Social and Economic Implications of Panchayati Raj; (b) Personnel Management in Non-Governmental Organisations; and (c) Administrative Problems of Industrial Co-operatives. The essay is to be written in English (approximately 10,000 words) under a *nom de plume* covering any aspect(s) of the given subjects. The essay in triplicate should reach the Director on or before July 31, 1963.

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Prof. Karl Wolfgang Deutsch, Professor of Political Science, Yale University, initiated, on February 12, a discussion on "Research Approaches to Administrative Problems" in the Secretariat Discussion Group, organised by the Institute with a view to acquainting middle level administrators of the Union Government with the developments in administrative sciences. The second discussion in the series was initiated by Dr. H. K. Hyde, Chief, Public Administration Division, U.S. A.I.D., New Delhi, on March 7, the subject being "Management Information Systems". The Group was addressed by Mr. Bertrand de Jouvenel, a French political scientist and economist, on March 25, on "Forecasting Social and Political Trends"; by Dr. and Mrs. Rudolph of the Harvard University on "The Political Sociology of Associations" on April 5; and by Sri Jagjit Singh, Director of Traffic, Railway Board, on "Operations Research" on April 26.

A discussion based on Sri N.V. Gadgil's paper on "Some Reflections on Administration" was organised on March 7.

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The Institute has brought out the second volume of the case studies on Indian Administration entitled "Cases in Indian Administration" containing the following five case studies: (1) *Decontrol of Foodgrains in 1952* by Sri Ram Saran; (2) *Grant of Extension to the Inspector-General of Forests* by Dr. M.A. Muttalib; (3) *The Expansion of the Bokaro Thermal Plant* by Dr. Parmanand Prasad; (4) *The Public Hospital Case* by Dr. A. Avasthi; and (5) *The Basic Administrative Unit for Development in Mysore* by Sri P.R. Dubhashi (price Rs. 7.50). (Proposals to undertake case studies are welcome. Those interested may communicate to the Secretary, Committee on Case Studies of the Institute.)

Under the auspices of the Institute, the Asia Publishing House, Bombay, has published *Progress versus Utopia* by John A. Vieg—being a collection of the lectures delivered by the author at the Indian School of Public Administration.

\* \* \*

Prof. V.K.N. Menon, Director of the Indian Institute of Public Administration, represented India at the Executive Council Meeting and Seminar of the EROPA held at Manila and Baguio, Philipines, respectively from May 31 to June 7, 1963. He will attend the 50th Jubilee Conference of the International Union of Local Authorities at Brussels being held from June 17 to 25, 1963. He will also attend the Conference of Directors of the Institutes of Public Administration in the Commonwealth to be held from June 23 to July 3, 1963, partly at Ditchley Park, Oxfordshire and partly in London.

\* \* \*

The Indian School of Public

Administration closed for summer vacation on May 15 and will reopen on July 15. The Annual Day of the School will be held on July 15. Hon. Justice Sri P.B. Gajendragadkar, Judge, Supreme Court of India, will preside.

\* \* \*

The Annual General Meeting of the Institute will be held on the 31st August, 1963.

\* \* \*

The Andhra Pradesh Regional Branch organised a two-day seminar on "The Role of Government in

Industrial Mobilisation for National Defence" on April 13-14.

\* \* \*

The Maharashtra Regional Branch of the Institute has published *Administration, Public and Private: What Each Can Learn From the Other* containing the proceedings of the special discussion meeting held by the Branch in February, 1962.

The Uttar Pradesh Regional Branch of the Institute has published *Civil Servants and Democracy* by Sri B.L. Chak.



If also we set against the problematical benefit of the great man's seeing things, or thinking he sees them, with his own eyes, the real and undoubted mischief he does by disorganising the whole administration for a week or more, closing the courts, delaying the disposal of cases, putting a stop to business of all sorts, leading Municipalities and other public bodies to spend more money than they can afford in decorations, fireworks, illuminations and triumphal arches, it will be seen that the net gain for these tours is infinitesimal, if not absolutely nil.

—JOHN BEAMES

(In *Memoirs of a Bengal Civilian*)

## RECENT DEVELOPMENTS IN PUBLIC ADMINISTRATION

### (I) INDIA

During the period under review, an important development affecting the administrative units of the country took place with the passing of the Government of Union Territories Bill, 1963, by the two Houses of Parliament. The Bill provides for Legislative Assemblies, and Councils of Ministers in the Union Territories of Himachal Pradesh, Manipur, Tripura, Goa, Daman, Diu and Pondichery. There would be a Legislative Assembly in each of the above mentioned Union Territories—there being 40 members in the case of Himachal Pradesh and 30 in the case of others. The Legislative Assemblies unless sooner dissolved would continue for five years from the date of appointment. If any provision of a law made by the Legislative Assembly is repugnant to any provision of a law made by the Parliament, then the law made by the Parliament is to prevail. The Bill also provides for a Council of Ministers in each Union Territory with the Chief Minister at the head to aid and advise the Administrator in the exercise of his functions in relation to matters with respect to which the Legislative Assembly of the Union Territory has power to make such laws. The Bill contains many other provisions similar to the provisions relating to the State Governments in the Constitution.

\* \* \*

Administrative measures continued to be taken by both the Union and the State Governments to meet the national emergency. To mention a few, at the Union level an Emergency Production Committee was

constituted (a) to secure implementation of Part III of the Industrial Truce Resolution of 3rd November, 1962, dealing with production, and (b) to consider measures to increase productivity and to reduce costs. Governments of Andhra Pradesh and Gujarat have also constituted Emergency Production Committees.

The seven-man steering committee set up by the Council of Scientific and Industrial Research as the focal point of reference to scientific and technical problems of defence interest decided to create defence cells in certain national laboratories to work on problems of defence interest.

\* \* \*

In the field of administrative reorganisation, the Government of India has reorganised the Central Public Works Department on zonal basis providing for one Additional Chief Engineer each at Calcutta, Bombay and Delhi to look after all the works of the Department in their respective regions.

The Indian Army has reorganised the Eastern Command and created a new Central Command for the defence of the frontiers in the Central Zone. The reorganised Eastern Command will now comprise West Bengal, Assam, Tripura, N.E.F.A., and Nagaland. The new Central Command will include U.P., Madhya Pradesh, Bihar and Orissa.

The Government of Maharashtra has decided to reorganise the Planning Division into (1) Economic wing, (2) Resources wing, (3) Programmes wing, (4) Evaluation wing,

and (5) Manpower wing with a view to strengthening the planning machinery at the State level and to make it an effective instrument for drawing up and implementing the State's plan programmes.

The Government of Mysore has reorganised the Department of Commerce and Industry by creating a Co-operative Wing in the Directorate of Industries and Commerce so that proper impetus may be given to the development of industrial co-operatives by bringing into one fold the staff for organising the co-operatives as also for their inspection, audit and supervision.

\* \* \*

Consequent upon the age of retirement of Central Government employees having been raised from 55 years to 58 years, several State Governments have raised the age of retirement of their employees from 55 to 58.

The Government of Assam has raised the age of retirement from 55 to 58 years of all Government servants who retire on or after December 1, 1962, provided that in the case of Government servants who having reached the age of superannuation on a date prior to December 1, 1962, have been allowed extension of service, the orders will not apply. The age of compulsory retirement for Grade IV staff continues to be 60.

The Government of Bihar has, *inter alia*, decided that the State Government servants, who are due to retire after the 14th January, 1963, at ages below 58, should be continued in service until they are 58. Also those on extension of service on the 15th January, 1963, would be allowed to continue in service up to the age of 58, and those who on the above date are on leave preparatory to retirement would be permitted to resume duty.

The Government of Madhya Pradesh has also decided to raise the age of compulsory retirement of its servants from 55 to 58 years with certain exceptions.

The Government of Maharashtra has raised the age of retirement of its employees from 55 to 58 years with the reservation that the appointing authority may require a Government servant to retire after he attains the age of 55, on three months' notice.

The Government of Punjab has also raised the age of retirement of State Government employees from 55 to 58.

The Government of West Bengal has extended the services of all State Government servants due to superannuation on or after February 15, 1963, upon the attainment of the age of 55, pending decision on the matter.

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An important development with regard to the all-India Services is the approval by the Government of India of a scheme for the interchange of I.A.S. and I.F.S. Officers on an experimental basis. The broad features of the scheme are: (1) The I.A.S. and I.F.S. Officers will be exchanged in equal number and the total number of officers exchanged from each service would be about 12 in the first instance. (2) Ordinarily, Officers with eight to fifteen years of service alone would be eligible for consideration. The I.A.S. Officers selected under the scheme would be appointed as First Secretaries in Indian Embassies and would ordinarily be utilised more on commercial and economic and possibly consular work than on political work in the chancery. The I.F.S. Officers would be utilised as Deputy Secretaries or Under-Secretaries in the Central Ministries.

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In the field of recruitment to the public services, the Government of Andhra Pradesh has allowed the physically handicapped persons an age concession of 10 years over and above the existing upper age limits prescribed for direct recruitment to posts in various services of the State so as to enable them to compete for the posts to which they are considered suitable and the duties which they can discharge satisfactorily after their appointment.

The Government of Gujarat has decided to undertake central recruitment of clerks in district and regional offices of different departments which are not within the purview of Gujarat Public Service Commission. Screening Committees presided over by the Collector and the Commissioner at the district and divisional levels respectively will select candidates and will allot them according to the vacancies in the district and regional offices of various departments.

The Government of Punjab has decided that appointment to P.E.S. Class II (Senior Lecturers) will in future be through direct recruitment only with 50% of the posts being earmarked for candidates already in service of the Department. It has also decided that in future the State Public Service Commission will hold combined examinations for recruitment to the following groups only: *Group I.* P.C.S. (Executive Branch); Excise and Taxation Officer; Assistant Excise and Taxation Officer; Tehsildar; Assistant Registrar, Co-operative Societies, Punjab; Assistant Employment Officer; and Excise and Taxation Inspector. *Group II.* P.C.S. (Judicial Branch); Legal Assistant in the Legal Remembrancer's Office, Industries and other offices.

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With regard to training programme for public personnel, the Union Ministry of Labour and Employment

has started a Central Training Institute of the Directorate-General of Employment and Training. The Institute will provide instruction in various trades and the art of teaching these trades and will also train the instructors for the contemporary institutions and will provide refresher courses to enable trade instructors abreast of the latest industrial techniques and advances in teaching their respective trades.

The Government of Madhya Pradesh has started a short-term training programme for training 1,580 technicians at the various polytechnics and Industrial Training Institutes in the State to meet the requirements of the establishments engaged in defence production in the present emergency.

The Government of Rajasthan has decided that the I.A.S. Officers in the Selection Grade should work as Collectors of some of the important districts for a period of two years, so that prior to their promotion to the super-time scale posts, they gain fresh experience in district administration and revenue matters. It has also been decided that officers in super-time scale should work as Members of the Board of Revenue for three years.

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Efforts were made to improve government regulation of industries. The Ministry of Commerce and Industry adopted a revised procedure for expeditious disposal of applications for grant of licenses under the Industries (Development and Regulation) Act. According to the revised procedure, the Licensing Committee would meet with its local members only and members from outside namely the State Government representatives need not come to Delhi for attending the meetings. They will however be invited to attend meetings at suitable intervals so that they have an opportunity to

bring for re-consideration any number of cases on which decisions have been taken at earlier meetings not attended by them. It has further been decided that cases which are recommended for rejection need not ordinarily be placed before the Licensing Committee; instead they will be disposed of by a smaller committee consisting of the Chairman of the Licensing Committee and other concerned officers of Government of India.

The Madhya Pradesh Government also prescribed a procedure for the expeditious disposal of complaints regarding the allotment of raw materials, import licenses, etc. which, *inter alia*, provides that all complaints pertaining to the Assistant Director of Industries in the district concerned or to the Deputy Director of Industries if no Assistant Director is posted in a district. If no reply is received by the complainant within three weeks, he could bring that to the notice of the Deputy Director of Industries (Complaints).

The Government of Punjab has constituted a special Industrial Planning and Development Board under the chairmanship of the Chief Minister. The functions of the Board are (i) to examine all handicaps of industries and to recommend to Government ways and means to obviate the same, (ii) to advise regarding procurement for the development of each establishment of industry keeping in view their needs and costs of development, (iii) to make recommendations to Government for procurement and distribution of raw materials, provision of financial assistance and marketing facilities.

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In the field of public enterprises, the Planning Commission has initiated a pilot study with an object to evolve systems, suitable for conditions in India for programming and

for reporting on performance in projects in the public sector. The study will cover 15 public sector projects of all kinds in the field of industry, mineral, power and transport and communications. To begin with an intensive study has been undertaken on five projects.

The Estimates Committee in its 32nd report on the National Coal Development Corporation has renewed its earlier suggestions for setting up of a personnel commission similar to the Union Public Service Commission for recruitment to posts in public sector undertakings. In the view of the Committee the personnel commission should be shaped by people with business experience who understand the personnel needs of the public sector.

The Government of India has in collaboration with the Phillips Petroleum Co. of U.S.A. set up a fourth refinery in the public sector. Under the agreement a new company will be incorporated in which the Government of India will subscribe 51% of the equity capital in rupees, Phillips Petroleum Co. 25% in Dollars, and the remaining 24% will be subscribed by Indian parties to be determined by the Government of India. The refinery will have a capacity of 2.5 million tons and will be located at a suitable site in the Cochin area.

The Government of Gujarat has established the Gujarat Mineral Development Corporation (P) Ltd. for undertaking mining of important minerals and works ancillary to it in the State. The share capital of the Company will be Rs. 30 lakhs, fully subscribed by the State Government. The affairs of the Corporation will be administered by a six-member Board of Directors including the Chairman.

The Jammu and Kashmir Government has constituted a committee to go into the working of public sector industrial concerns which are running at a loss.

The Maharashtra Government has decided to establish a State Construction Corporation to function as a firm of engineers and contractors for the State. The Corporation which will be registered as a private limited company will have an initial capital of Rs. 1 crore fully subscribed by the Government. The Corporation will tender for public works in competition with other contractors and establish itself on the strength of its own performance; though, to begin with, it will be entrusted with some works on negotiated basis.

The Economy Committee, appointed by the Government of India a few months ago to suggest economy in the staffing pattern of the various Union Ministries has suggested a saving of nearly Rs. 82 lakhs from the annual salary bill of the staff. In terms of personnel, the proposed reduction is one secretary, one additional secretary, nine joint secretaries, 32 deputy secretaries, 75 under-secretaries, 150 section officers, 462 assistants and upper division clerks, 719 lower division clerks and 457 Class IV staff.

The Government of Madhya Pradesh has accepted the recommendations of the Efficiency-cum-Economy Committee set up in 1962, which among others include: (i) ad hoc cut of 25% under contingencies in the non-plan budgets of all departments from the year 1962-63, (ii) ad hoc cut of 20% under travelling allowance in the non-plan budgets of all departments, (iii) a cut of 40% in the provisions of the travelling allowance of ministers and deputy

ministers and reduction of Rs. 24,000 in the travelling allowance of the members of Vidhan Sabha, and (iv) non-fulfilment of sanctioned posts which have remained vacant since April 1962.

Panchayati Raj was initiated in Gujarat on April 2 when 182 Taluqa Panchayats were inaugurated. District Panchayats were formed on April 16 throughout the State. A State Panchayat Council was inaugurated on May 1.

The Delimitation Commission has, in its first final order issued recently, allocated seats for the Lok Sabha to the several States on the basis of the 1961 census as follows: Andhra Pradesh (41); Assam (14); Bihar (53); Gujarat (24); Kerala (19); Madhya Pradesh (37); Madras (39); Maharashtra (45); Mysore (27); Orissa (20); Panjab (23); Rajasthan (23); Uttar Pradesh (85); and West Bengal (40). The Commission has also determined the number of seats to be reserved for the Scheduled Castes and Scheduled Tribes of each State. The increase and redistribution of seats do not affect the existing House but will come into operation for the next General Elections.

The Supreme Court recently held that the Union Government could validly impose customs and excise duties on goods imported or manufactured by a State even though they were used for purposes incidental to the ordinary functions of the Government.

## (II) ABROAD

The Committee set up in December 1961 with Lord Bridges as its chairman to advise the U.K. Government on training in Britain for overseas countries in public administration

has, in its report published recently, suggested that the British Government should adopt new measures to help developing countries in the training of administrators. A

digest of this report appears on pp. 274-77 of this issue of the Journal.

The Medical Services Review Committee, appointed in November, 1958, under the chairmanship of Sir Arthur Porritt, President of the Royal College of Surgeons, has in its report submitted to the Government of U.K. considered in detail the organisation of the National Health Service. The Committee has recommended that a new unit should be set up to be known as the Area Health Board, which would be the focal point for all medical services in an area. It should take over much of the administrative work of the Departments of Health, leaving them free for long term policy-making. Day-to-day administration should be in the hands of several subsidiary councils such as hospital services council, maternity and child welfare council. A medically qualified administrator should be the chief officer in such area.

The Government of U.K. has set up a unified Ministry of Defence by abolishing the admiralty, the War Office and the Air Ministry. The First Lord of the Admiralty and the Secretaries of State for War and Air have been downgraded to the equivalent of Ministers of State directly subordinate to the Minister of Defence, and the planning, intelligence and operational functions of the Services has been brought together in one building. The changes have been effected to concentrate control of all military planning and expenditure in the hands of the Minister of Defence. He will continue to be advised by the Chiefs of Staff, the professional heads of the three Armed Services, meeting in committee under the chairmanship of the Chief of the Defence Staff. The Chiefs of Staff will keep their traditional titles of First Sea Lord, Chief of the Imperial General Staff and Chief of the Air Staff. They will continue to have

the right to represent minority opinions direct to the Prime Minister if there is disagreement in the Chiefs of the Staff Committee. Scientific advice will continue to be the responsibility of the Chief Scientific Adviser. Another major change is in the functions of the political heads of the Services. In future they will be responsible to the Minister of Defence, and will have no direct access to the Prime Minister or the Defence Committee of the Cabinet.

The Government of U.K. has also announced measures to strengthen the new Department in the Scottish Office. It is now intended to bring into this Department officials from other Ministries who might be concerned but who were normally not under the authority of the Secretary of State, such as the Ministry of Labour and the Board of Trade. This Inter-departmental Group of officials to plan the economic and physical progress—which it is the duty of the Secretary of State to further—will include in addition to the Ministry of Labour and the Board of Trade, the Ministry of Power, the Ministry of Public Buildings and Works, which are concerned with resources, building and civil engineering industries in Scotland and the Ministry of Aviation, because of their role in relation to air services and the Ministry of Transport which controls railways, though not roads, in Scotland.

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A recent Civil Service Commission action now makes it easier for the U.S. Government Agencies to utilise the special qualifications of college faculty members by authorising their temporary non-competitive appointments to certain types of positions. Agencies can now appoint bona fide professors and instructors with special qualifications of direct and immediate benefit to the Government to employee development, instructional, scientific, professional or



analytical positions for periods up to one year without regard to registers of eligibles. Employee development officers, in making use of this authority, can appoint and assign such persons to lecture in or conduct, supervisor, or executive development training programmes. They can use them in courses in which they have high subject-matter competence, such as physics, chemistry, or engineering. They can also have them develop instructional materials, evaluate training courses or prepare training plans.

\* \* \*

A Joint meeting of the Presidium of the Central Committee of the Soviet Communist Party and the U.S.S.R. Council of Ministers, held on March 13, decided to set up a Supreme Council of the National Economy of the U.S.S.R. as the supreme state agency for the management of industry and construction in the Soviet Union. The new Council would also co-ordinate the activities of the State Planning Committee, the National Economic Council, the State Committee for Construction (Gosstroj) and other specialised

and industrial state committees.

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Nepal's new National Panchayat held its first session on April 14. The Panchayat was inaugurated on April 18, by King Mahendra.

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The Government of Ceylon has, with effect from May 1, abolished the Ceylon Civil Service and replaced it by the Civil Administrative Service. There would be 1,030 posts in the administrative services which will be divided into five classes.

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The National Assembly of Czechoslovakia has adopted a Bill creating a system of elective organs which will broaden the citizens' powers of supervision over the national economy. It has also elected a Central Commission of People's Control and Statistics for the execution of the new law. The Commission, which will be responsible to the National Assembly, will also direct the work of the Central Office of the State Control and Statistics.



## DIGEST OF REPORTS

### PROGRESS REPORT ON MEASURES ANNOUNCED BY THE GOVERNMENT OF INDIA TO STRENGTHEN ADMINISTRATION.

*(The Prime Minister laid on the Table of the Lok Sabha on 22nd April 1963, a statement outlining the progress in the measures undertaken by the Government of India to tone up Central administration. As the statement would be of interest to the readers of the Journal, the full text of the statement is reproduced below.—Ed.)*

As the House is already aware, a Committee on Administration, under the Chairmanship of the Cabinet Secretary, was set up in August 1961 to take steps for the implementation of the various measures announced on the 10th August, 1961, in the House by the Prime Minister. A progress report showing the action taken in this direction was placed in the Parliament Library on the 17th May, 1962.\* The statement below gives a brief outline of the progress made in the more important measures initiated by the various authorities in Government.

#### I. METHODS AND PROCEDURES

(i) *Revision of Rules and Regulations.* Rules issued by various Ministries on different subjects have been scrutinised in detail and general simplifications by avoiding duplication and contraction of longer dilatory procedures have been suggested wherever necessary.

(ii) *Public Works Account Code.* This has been scrutinised by a Working Group under the Chairmanship of Additional Deputy-Comptroller & Auditor-General. A number of

useful suggestions have been made which, when implemented, will result in speeding up of constructional programmes, saving in time and expenditure.

(iii) *Simplification of Registers, Returns and Reports.*

(a) Special studies were initiated in collaboration with the representatives of industry to eliminate unnecessary returns and simplify those which were considered necessary by reduction of size and scope or by amalgamation. The study in respect of textile industry has been completed and has resulted in substantial economies of paper work and effort required in submission and processing of the returns. Similar studies in respect of iron and steel and coal industries are nearing completion. Others are being energetically pursued.

(b) Similar simplification of reports and returns to be rendered by one Government agency to the other, as for example, by Attached and Subordinate Offices to the Ministries and between different Ministries is being continually attempted.

(c) The need for maintenance of various registers prescribed in the Manual of Office Procedure has been reviewed as a result of which the maintenance of Assistant's Diary, Inter-sectional Movement Register and the Despatch Register for local dak has been dispensed with. Registration in

\*This was reproduced in Vol VIII, No. 3 of the Journal.

the Central Registry will also be done on a selective basis, i.e. only U.O. files, classified documents, etc.

(d) *Time content and cost of meetings.* On a study of the effectiveness of meetings various suggestions have been made for making them more effective and productive in decision making.

(e) *Relationship between scientific institutions and the administrative Ministries.* A number of studies have been carried out to locate difficulties in such relationship for efficient working of the scientific institutions.

(f) *Simplification of procedure in house-keeping sections.* Nearly one-third of the sections in the Ministries are employed on what are called house-keeping jobs, e.g.—

- (1) Creation or continuance of temporary posts,
- (2) Making recruitment thereto,
- (3) Grant of leave to the officers and staff,
- (4) Grant of advances to staff (advances like festival advance, cycle advance, etc.),
- (5) Supply of stationery & furniture, etc., etc.

Obviously there is a large area of common ground which needed special attention. A Working Group consisting of officers from several Ministries was set up to make detailed study of the time-honoured procedures and 'prescribed' steps in the disposal of a large number of specific jobs dealt with in these sections. As a result of these studies, 64 jobs have been listed and concurrently revised simplified procedures circulated to all Ministries. It is expected that the impact of this exercise will be felt over a large part of the Secretariat.

## II. RECORDS MANAGEMENT

Ways and means of scientific management of records in Government which will release more space

and provide better access to necessary records and better working conditions for the staff, were suggested to the Ministries some time back. For regulated weeding out of records, retention periods have been prescribed for records of a type common to all Ministries. Retention periods of special interest in individual Ministries are being reviewed. Arrangements are also being made for training being given by National Archives in scientific records management to Record Keepers.

## III. ORIENTATION AND TRAINING

(a) *Staff Orientation.* With a view to augmenting the present arrangements for introducing new officers, at all levels, to their charge, an illustrative list of material on which Ministries could compile background information has been prepared and circulated for general information and guidance.

(b) *O & M Journal—Work Improvement.* In order to create a general awareness about the need and scope for effecting administrative improvements in Government and to disseminate information regarding new methods and procedures for economy of effort, time and human resources, the O & M Division is bringing out the journal—'Work Improvement'. So far seven issues have been brought out. Copies of this journal are being placed in the Parliament Library regularly. Recently, in the context of the economy of paper necessitated by the emergency, the periodicity of this journal has been reduced from bimonthly to quarterly.

(c) *Training in Work Study.* In the last analysis efficiency and speed in the disposal of Government business depend on motivation and attitude of Government officials at all levels who are responsible or performing specific jobs or tasks. As a

part of broad-based in-service educational effort and training, periodical courses are conducted by the O & M Division in collaboration with the sister organisations, Special Reorganisation Unit and the Committee on Plan Projects, for imparting training in O & M and work study techniques. During the last year, seven courses were held which were attended by 186 officers drawn from Central and State Government and public sector undertakings. Lectures by distinguished persons—specialists in their own field—are also arranged to give an idea to the trainees of the growing importance of the techniques both in Government and private sector.

A Seminar on 'Materials Management' was held in August 1962 at which important aspects connected with materials management such as value analysis, inventory control, purchasing for the public sector, operations research, etc., were covered, leading to useful exchange of ideas.

(d) *Management Training.* A six monthly course on financial management of projects has been organised by the Ministry of Finance (Department of Expenditure) for officers drawn from the Central and State Services.

#### IV. DELEGATION AND FINANCIAL CONTROL

(a) *Delegation of powers to public sector undertakings.* This question has been studied in detail and with a view to enabling management to take prompt decisions and achieve results a scheme of model delegation of powers has been evolved. This will be made available to all public sector undertakings for their guidance, after necessary scrutiny by the Planning Commission.

(b) *Financial control.* Revised arrangements for financial and budgetary control involving enhanced

delegation of powers was extended to all Ministries and Departments with effect from the 1st June, 1962. The revised instructions do not apply to certain Ministries/Departments like the Department of Atomic Energy, Ministry of Railways and the Ministry of Defence.

Under these arrangements, the Ministries are required to set up internal Work-Study Cells. These Cells will take up sectors of administration in the respective Ministries for detailed studies with a view to effecting economy and improving efficiency.

#### V. ECONOMY IN STAFF

(a) *Studies made by Special Reorganisation Unit and O & M Division.* During the last year Special Reorganisation Unit has conducted a review of several organisations including Ministries of the Government of India and their Attached and Subordinate offices and a list of the organisations studied is given below:—

(1) *Ministries :* Education Scientific Research & Cultural Affairs, Irrigation & Power, Deptt. of Community Development.

(2) *Attached Offices :* Posts & Telegraphs, All India Radio, Central Public Works Department, Directorate-General of Civil Aviation, Department of Tourism.

(3) *Subordinate Offices :* Registrars of Companies, Coal Controller, Security Press, Films Division, Directorate of Extension.

(4) *State Governments and other offices :* Delhi Labour Department, Delhi Chief Inspector of Factories, Hindustan Steel, Mysore Industries & Commerce Department, Inter-State Transport Commission, Punjab Industries Department and District Educational Offices.

In addition, studies of a number of *ad hoc* problems referred to the Unit have also been carried out.

The studies made by the Special Reorganisation Unit not only helped in locating surpluses in the existing staff but also helped in preventing unnecessary growth of staff. During the last year alone, the annual savings in the cost of surplus staff in pay and allowances came to about Rs. 21.41 lakhs in addition to the preventive economy, representing cost of staff, which was not sanctioned as a result of the S.R.U. probe—Rs. 10.26 lakhs. The studies conducted by the Special Reorganisation Unit have also helped in formulating general measures for efficiency, e.g., elimination of levels and curtailment of certain inessential schemes, rational delegation of powers and simplification of procedures.

(b) Studies were made in the Office of the Controller of Defence Accounts, Meerut, to verify the staffing scales now in vogue in the Defence Accounts Department which indicated scope for reduction to the extent of 16%.

(c) *General studies.* General studies made with a view to securing the more purposeful use of the existing staff included the following:

(1) *Assessment of the requirements of Lower Division Clerks :* General studies were conducted by the O & M Division to look into the requirements of Lower Division Clerks in the Secretariat, which category was found not only in deficiency but also in great demand. The result of the study indicated that by adjustments the existing staff could take care of the present requirements resulting in a saving of 1,700 clerks involving an annual recurring expenditure of Rs. 42 lakhs.

(2) *Scaling down the basis of allotment of Class IV staff (Peons).*

As in the earlier case, there is large demand for peons also. The studies undertaken have pointed to the possible better utilisation of this category of staff. Revised scales are also being evolved which is expected to throw up about 1,000 peons who could be deployed for additional work.

(d) *"Pilot" Sections.* On the basis of detailed work studies made of the 'Pilot Sections' introduced in the Secretariat in 1956 on an experimental basis, the Pilot Sections were abandoned resulting in an immediate saving of 115 Section Officers (in the grade of Rs. 400-900), who could be employed elsewhere.

(e) *Economy in Staff.* An Economy Committee consisting of the Secretary, Ministry of Home Affairs, Secretary, Department of Expenditure and Additional Secretary, Planning Commission, has made a rapid scrutiny of the staff employed in different Ministries and made recommendations for effecting substantial economy in the staffing pattern of the various Ministries.

## VI. PLAN PROJECTS AND PUBLIC SECTOR UNDERTAKINGS

(a) *Plan Projects—Reduction of Costs.* The various studies of the Committee on Plan Projects have created an awareness in the minds of all concerned towards the need for cost reduction on scientific lines. Many of these reports, about forty of which have also been published, contain norms standards for planning. Considerable reduction in cost can be achieved through the adoption of these standards. In a few specific cases referred to the Committee during the last year, such as, medical colleges, hospitals, industrial townships, etc., the Committee was able to suggest measures for reduction in cost amounting to Rs. one crore,

Another important study which was finalised recently pertains to Public Works Administration. On the basis of a detailed work-study of Public Works Departments all over the country, the Committee had made recommendations for streamlining procedure, removing the existing bottlenecks and developing an organisational pattern that would be conducive to speed and economy in the construction programmes. These recommendations are under examination in the Planning Commission and the Ministries of Works, Housing and Rehabilitation and Defence and State Governments.

The method of programming and progress control outlined by the Committee on Plan Projects known as the "Line of Balance Technique" has been increasingly adopted in a number of projects, e.g., the Ram Ganga Irrigation Project, the Gorakhpur Airport work, Bidar Aerodrome, etc. Experience has shown that this method of programming and progress control is an excellent aid to effective management of projects.

Studies have also been conducted at the Hindustan Housing Factory, some of the defence establishments, road transport bodies, etc. for exploring avenues of cost reduction. These have yielded good dividends.

(b) *Public Sector undertakings—Operational efficiency.*

*Release of Foreign Exchange :*

As delay in sanction of foreign exchange requirements and issue of import licences has a direct bearing on the efficiency and speed of construction and operation of public sector projects, a special

study was conducted to locate bottlenecks. A revised procedure for compiling, notifying and procurement of maintenance requirements of public undertakings has been evolved and put into effect.

(c) *Organisational and Procedural study of D.G.S. & D.* A quick review of the organisational arrangements and methods of work was undertaken in the D.G.S. & D's organisation with a view to locating the existing bottlenecks and delay points and finding ways and means for expediting the processing of incidents and procurement of supplies in respect of defence and railway requirements in the context of the present emergency. Several remedial measures have been suggested and have since been largely accepted by the organisation, reducing the time-lag in the procurement of stores.

#### VII. OTHER MEASURES

(a) *Economy in the use of paper, electricity, furniture, etc.* In the context of the emergency, instructions on economy in the use of paper, consumption of electricity, purchase of furniture, etc. have been reiterated and supplemented. In particular, orders have been issued dispensing with the issue of the Gazette Notification of Gazetted Officers proceeding on leave or on transfer, except where every change in incumbency is required to be notified under a statute.

(b) *Increase in Office hours.* The number of working hours in Central Government offices has been increased by half an hour per day.

#### U.S.A., REPORT OF THE COMMITTEE ON FOREIGN AFFAIRS PERSONNEL, Washington, 1962.

The Committee on Foreign Affairs Personnel was constituted late in 1961 under the chairmanship of the Hon'ble Christian A. Herter at the

request of Secretary of State Rusk. It was established under the auspices of the Carnegie Endowment for International Peace and with

financial support provided also by the Ford Foundation and the Rockefeller Brothers Fund. The Committee was composed entirely of private citizens. The Committee reported in December 1962.

The terms of reference of the Committee broadly were to analyse and forecast as accurately as possible the U.S. Government's personnel requirements in the foreign affairs field over the next decade and to strengthen the ability of the Government to find, develop and make maximum use of personnel with the skills and talents required.

The main recommendations of the Committee are as follows:

#### *Leadership in Foreign Affairs*

1. The capacity of the Department of State to assist the President in providing leadership and co-ordination in foreign affairs must be strengthened. The Department's responsibility should embrace the formulation of foreign policy, the development and co-ordination of foreign affairs programme, and the planning and marshaling of the resources needed for their implementation.

2. A new post of Executive Under Secretary, subordinate in rank only to the Secretary and Under Secretary, should be established in the Department of State. The Executive Under Secretary should act in the Secretary's behalf in assuring that: (a) foreign affairs personnel and machinery are adequate to the nation's international responsibilities; (b) policies are supported by action programmes and by the means and resources for their realization; (c) the processes of policy making, programme development, budgeting, and administration are brought into an effective union; and (d) interagency relationships and personnel arrangements are properly co-ordinated.

3. Under the leadership of the Executive Under Secretary of State, a system should be established whereby foreign policy objectives are translated into programmes of action to be undertaken in each area of foreign affairs activity, projected as far into the future as is feasible, and used as a basis for estimating future personnel and other needs in foreign affairs.

#### *A Framework for Foreign Affairs Personnel Management*

1. A career foreign service, to be known as the Foreign Information Service, should be provided for the permanent professional personnel in overseas informational and cultural activities.

2. The Foreign Service, the Foreign Information Service, and the Foreign Development Service should constitute a family of compatible services governed by uniform statutory provisions regarding personnel management. In the administration of these services there should be: (a) substantial uniformity in personnel policies and equality in conditions of service; (b) joint conduct of personnel operations wherever desirable; (c) systematic interchange of personnel and provision for lateral transfer; and (d) consideration of senior personnel of all three services in filling top executive posts in foreign affairs.

3. An interagency Board of Foreign Affairs Personnel should be established to assist the proposed executive Under Secretary of State in bringing about parallel personnel policies and, where desirable, joint personnel operations. Each agency should have primary responsibility for personnel actions affecting individual employees.

4. The personnel of the foreign affairs agencies in the United States who are now in the Civil Service system should be redesignated as foreign

affairs officers and employees and should be brought within the structure of the foreign affairs services. These employees should not be obligated to serve abroad as a consequence of this redesignation. Future recruitment should, however, stress availability for overseas service, and the long range goal should be to increase the proportion of personnel available for service at home and abroad. The agencies and the Civil Service Commission should reach appropriate agreements to insure harmonious and mutually beneficial personnel relationships.

5. Personnel should be categorized so as to distinguish between career and non-career and between professional and non-professional employees.\* The respective services of the State Department, USIA, and AID should be distinctly and separately identified. United States citizen personnel in all categories should be under a single grade structure and salary scale.

6. The Foreign Service of the United States should, as a general rule, serve as the vehicle for those overseas activities of the other agencies of the Government which, though primarily domestic, have an important bearing on foreign policy; for this purpose, its personnel administration should be modified to accommodate better the needs and interests of those agencies. If it should be necessary to make an exception for a large overseas programme of such a domestic agency, its overseas personnel should constitute a member of the family of foreign affairs services.

#### *A Design for Strengthening the Professional Services*

Manpower planning machinery should be established in each agency to assess manpower requirements in

the light of programme plans and other pertinent information and to project such requirements, with periodic review and adjustment, five to ten years in advance in terms of numbers, kinds, and deployment of personnel.

#### *New People for Foreign Affairs*

1. The efforts of the Department of State, USIA, and AID to recruit junior officers into their career foreign services should be merged; and their programmes should tap more systematically the most promising sources of highly qualified candidates.

2. The entrance examining processes of the Department of State, USIA, and AID for junior officers should be strengthened and administered under standards and precepts recommended by a joint Board of Examiners. The importance of relevant specialized education and experience should be recognized through provision of special optional sections in the written examinations.

3. Recruitment of junior officers should be supplemented by a positive programme to seek out and bring into the career services at intermediate and higher levels experienced persons of high quality, particularly to meet specialized needs, subject to rigorous competitive examination.

4. A positive recruitment programme and vigorous competitive examining process should be used by the foreign affairs agencies in the appointment of Reserve Officers for limited periods of service. The Reserve vehicle should be regarded as a supplement to the career services in meeting temporary and specialized requirements.

#### *Policies and Tools for Personnel Management*

1. The personnel systems and

\*In this connection, "professional" is used to distinguish between career and reserve officers, on the one hand, and staff officers and employees, on the other.



practices of AID, USIA, and the Department of State should be built around a series of flexible career lines representing all major professional fields, including executive direction. Provision should be made for geographic specialization in a number of professional fields and for the development of executives. The highly competent functional specialist should be able to advance to class I in his professional field.

2. Promotion from the junior to the mid-career stage, and from the mid-career to the senior stage, should be regarded as the pivotal points of a foreign affairs career. Officers should be "selected-into" succeeding stages only after especially intensive review and evaluation.

3. The ranks of career minister and career ambassador should be open to qualified career officers in AID and USIA. Recommendations for promotions to these ranks should be made by the Board of Foreign Affairs Personnel to the Secretary of State before submission to the President. Experience in at least two foreign affairs agencies should become a normal qualification for such promotions.

4. The senior executive officers of the foreign agencies should cons-

titute a pool of talent for key executive jobs to the maximum extent consistent with the retention of control and action responsibility by the agency heads. In filling such posts, the agency heads should draw on rosters to be developed by the Board of Foreign Affairs Personnel.

#### *Education and Training for the New Diplomacy*

1. There should be established, under the highest auspices and leadership, a National Foreign Affairs College which would provide in-service training at an advanced level for professional personnel. It would replace the Foreign Service Institute.

2. On the basis of forward manpower plans provided by the agencies, the National Foreign Affairs College, as well as the training divisions in each agency, should systematically develop and co-ordinate plans for individual training programmes. The College should establish machinery whereby appropriate training courses, wherever taught, can be regularly evaluated; present and anticipated needs of the agencies can be consolidated and correlated; and plans for new or revised courses can be developed in response to such needs, whether at the College or elsewhere.

#### *U.K. REPORT OF THE COMMITTEE ON TRAINING IN PUBLIC ADMINISTRATION FOR OVERSEAS COUNTRIES*, London, H.M.S.O., 1963.

The Committee was appointed in December 1961, with Lord Bridges as Chairman, by the Secretary for Technical Co-operation to advise him (a) on the training facilities in the field of Public Administration and related subjects provided in the United Kingdom for government servants and other public employees nominated by the Governments of Overseas countries, and (b) on the arrangements for assistance from the United Kingdom in building up local

training facilities in the field in response to requests received from the Government or Overseas countries; and to report on the suitability and adequacy of the arrangements made for these purposes in relation to the present and foreseeable future demand.

The Committee submitted its report in January 1963. The main conclusion of the Committee is that the response of Britain to the needs of the training in administration of

the developing countries is inadequate and does not match the urgency of the situation and the determination of the governments of developing countries to achieve quicker and better results. The urgency arose from:

- (a) the grave lack of trained administrative staff at all levels in many developing countries, including a lack of men with the long experience of responsibility normally needed for the most senior posts; and
- (b) the additional calls made on the administration by the policy of specially rapid economic and social growth and change, which the governments of nearly all developing countries are rightly pursuing.

To meet the situation, the Committee has recommended strengthening of British assistance to training institutions in developing countries; enhancement of the training facilities in Britain through improved courses, improved organisation and additional expenditure by the British Government. The specific recommendations of the Committee are as below:

#### THE BRITISH CONTRIBUTION TO TRAINING OVERSEAS

1. A register should be compiled and maintained of British public servants who would be willing and suitable to serve overseas as instructors in practical administration.
2. (a) Government Departments and the nationalised industries should be asked to facilitate the overseas secondment of members of their staffs for service as instructors in practical administration, and (b) the associations of local government authorities should be invited to persuade their members to do likewise.
3. Provision should be made for a preparatory course for British instructors in practical administration so as to give them an opportunity to prepare themselves for their new tasks before they are sent abroad. It will be essential for them to learn about the background of the country to which they are going and the nature of its governmental institutions and to acquaint themselves with the problems which beset developing countries generally. The Royal Institute of Public Administration could be utilised for this purpose, and that Institute should be invited to devise and introduce such a preparatory course.
4. (a) British universities should be invited as a matter of urgency to adjust and, where necessary, expand their existing staffs, in order to enable members of their staffs to become available for service in developing countries, and (b) the cost should be met from British Government funds.
5. In applying the British Government funds available, regard should be had to the crucial importance of putting the relatively small British university department concerned in a position to make an appropriate contribution by sponsoring training institutions in developing countries.
6. (a) Official encouragement should be given to the preparation and publication of textbooks and the provision of audio-visual aids, specially designed for overseas use, on public administration and related subjects and (b) British Government funds should be made available, where necessary, to support the above-mentioned activities, to purchase copies of the books and aids and of other printed materials for presentation to selected specialist libraries overseas, and to maintain the collections so formed.

# THE BRITISH CONTRIBUTION IN THE UNITED KINGDOM: ARRANGEMENTS FOR THE PRINCIPAL COURSES

1. Consideration should be given to the possibility of establishing in Britain a course for the training of instructors in practical administration who are employed by the governments of developing countries.

2. Formal university courses, Courses A and B, special advanced courses, and shorter advanced courses should all be matters kept under review through the co-ordinating machinery mentioned later.

3. An investigation (including consultation with other interested bodies) should at once be made into the factors which would have to be taken into account in establishing a special institution in Britain for top level training in administration (including development training), combined with research into the fields which the training covers.

4. As a matter of urgency the question should be considered of joining or co-ordinating the relevant sections of the Foreign Office Library and of the combined Library which serves the Commonwealth Relations Office, Colonial Office, and Department of Technical Co-operation, to form in London a centre of documentation for development administration overseas.

# THE BRITISH CONTRIBUTION IN THE UNITED KINGDOM: MISCELLANEOUS MATTERS

1. The selection of trainees, orientation courses, knowledge of English, certificates and examinations, and training in the work of particular Departments or spheres of activity should all be matters kept under review through the co-ordinating machinery mentioned later.

2. Arrangements should be made for training visits and attachments in Britain only after careful

preliminary discussion both with the visitors' government and with the proposed host authorities; (b) wherever possible a short introductory course on British Government should be provided for those who can be grouped satisfactorily or are already members of a group, before beginning a programme of visits or attachments; and (c) consideration should be given to the establishment of an information centre where preliminary reading material would be readily available, to which individual visitors should be directed before beginning their programmes.

3. When an educational institution in Britain runs a special course, approved by the Department of Technical Co-operation, for the benefit of developing countries, arrangements should be made, if necessary, to underwrite the course from British Government funds against a limited financial loss.

## ORGANISATION

1. A co-ordinating unit for administrative training should be set up: (a) To gather information about overseas needs in the whole field of training in public administration to keep under review the facilities existing in Britain (including the availability of books and other teaching aids), and to consult with universities and other educational authorities concerned as to the means of meeting overseas needs. (b) To ensure that the Department of Technical Co-operation and the British Council operate in concert, wherever this is advantageous, and have a common pool of information on which to draw. (c) To ensure that the fullest possible information about courses in the field of public administration which are available in Britain is made known abroad through British representatives overseas or by whatever means may be thought desirable. (d) To improve as far as possible

(bearing in mind the views and wishes of employing governments) existing arrangements for the selection and allocation to courses of overseas trainees with the aim of ensuring that suitable persons are selected and are allocated to the most suitable courses. (e) To co-ordinate the work of the Department of Technical Co-operation and the British Council and any other organisations involved in meeting the growing demand for British aid in local training in public administration. (f) To estimate the numbers of persons required to fill posts in developing countries for teaching and training duties in public administration, and to advise on priorities in the filling of vacancies. (g) To advise how overseas enquiries and suggestions about projects for overseas development studies should be directed towards the institutions best fitted to deal with them (not necessarily the special institution itself). (h) To gather information about the contribution

of other technical assistance donors—governments, international organisations, and private Foundations—in this field. The co-ordinating unit should be composed of members of the staff of the Department of Technical Co-operation and the British Council who are already employed in those duties.

2. An advisory Council for public administration training and development studies should be set up to advise the Department of Technical Co-operation and the British Committee on public administration training and Development studies.

3. To facilitate publicity for British Training facilities (a) the number and distribution of British Council officers available for that purpose overseas should be reviewed, and (b) British Government funds should be provided to send British officials and teachers concerned with administrative training on more frequent visits to interested overseas countries than are made at present.

#### GOVERNMENT OF RAJASTHAN, REPORT OF THE COMMITTEE TO SUGGEST WAYS AND MEANS FOR RELIEVING TECHNICAL PERSONNEL OF ROUTINE DUTIES, 1962.

The Committee was constituted in 1961 by an order of the Cabinet Secretariat under the chairmanship of Dr. B.L. Rawat, Additional Chief Secretary to the Government to suggest ways and means for ensuring that the services of scientists and technologists are utilised to the best advantage by relieving them of routine administrative duties, thus enabling them to devote more attention and time to their technical functions. The Committee submitted its report in 1962. The report is divided into two parts:

Part I dealing with general recommendations which are applicable to most, if not all departments and Part II dealing with recommendations which are applicable to individual

or a limited number of departments.

Important observations/conclusions of the Committee are summarised below:

#### PART I

##### GENERAL RECOMMENDATIONS

##### *Establishment matters including disciplinary cases*

#### I. Delegation of powers

The officers working in the higher posts in the technical departments have generally not delegated sufficient powers in such matters as appointments, postings, transfers, and the imposition of punishments to their subordinate officers with the result that a considerable portion of their

time is taken up in dealing with such cases. The delegation of powers in such matters to the officers under whom the staff are working, to the maximum extent possible will not only considerably relieve the senior officers of their burden, but will ensure better control over staff by their immediate officers greater promptness in the disposal of establishment cases and the avoidance of protracted correspondence in such matters.

## II. Disciplinary cases

Since it has been noticed that several appointing authorities commit procedural and other irregularities in conducting departmental enquiries, such cases should be technically scrutinised by a special officer appointed for the purpose at the stage of the framing of the charge-sheet, and again before final orders are passed, in order to ensure that no irregularities are committed in conducting these enquiries and all the provisions of the Constitution of India and the relevant laws and rules are fully observed.

### *Accounting matters including Budget*

In departments where an Accounts Officer is not sanctioned all accounts matters should be dealt with by an Administrative and Accounts Officer in the offices of technical departments so as to enable the technical officers to devote more time to their technical functions.

### *Store purchase and arrangements for supplies*

All Heads of Departments should draw up their list of articles to be purchased and invite tenders by the 31st of October in the preceding year. The tenders should be approved by the State Store Purchase Organisation and the list of approved firms supplied to all the indenting authorities by the end of February, in the preceding year.

There are a number of articles which are purchased by the various departments of the Government which are not standardized. To meet the situation, once a contract has been given to a particular firm, it should be required to supply as many items of the article concerned as there are indenting authorities in the State, to the Head of the Department concerned, who will check whether these articles are of the required standard and after so satisfying himself, he will send one sample to each of the indenting authorities in the State to act as the standard.

All officers under the administrative control of the district level officers, and all other Government officers situated at the district headquarters, including the offices of Heads of Departments and Divisional Level Officers and teaching and training institutions should send a consolidated list of the articles except those for which tenders are invited by the Store Purchase Organisation or Departmental Store Purchase Committee or for which rates contracts have been entered into by State Store Purchase Organisation, required to be purchased by them for the financial year in question as soon as possible after the approved budget is received by them, to the Collectors of the districts concerned. These lists should be scrutinised in the offices of the Collectors, and with regard to all articles which are common to two or more departments, the tenders should be invited by the District Purchase Committee in a consolidated manner, if necessary, in consultation with the District Level Officer concerned.

Articles other than office requirements which are common to two or more departments and which are indented by Heads of Departments directly, should, as far as possible, be purchased in a consolidated manner by the State Store Purchase Organisation and the departments

may make purchases for articles which are only required by the particular department in question.

*Periodical reports, returns, statistics and routine correspondence*

The reduction of paper work is an important matter as far as the provision of relief to technical officers is concerned. If these officers are not kept tied down to their desks, they would be able to undertake more inspections and tours, which would in the long run add to their efficiency.

PART II  
RECOMMENDATIONS APPLICABLE  
TO SPECIFIC DEPARTMENTS

*Irrigation Department*

In order to give relief to the Executive Engineers, the work relating to assessing and collection of irrigation dues should gradually be transferred to the Revenue Department.

The Chief Engineer (Irrigation) should be assisted by a Senior R.A.S. Officer in his general administrative duties and to supervise the work of the Dy. Collectors attached to the Irrigation Divisions.

*Public Works Department*

The possibility of transferring rent collection work to the Collectors should be examined. The assessment of rent should however continue to be made by the PWD as this is a technical matter.

The possibility of delegating more powers and positions to the Additional Chief Engineer (PWD) and the Accounts Officer, with a view to relieving the Chief Engineer of some work, should be considered by the Department. The Accounts Officer should also be entrusted with certain administrative duties such as establishment matters relating to L.D.Cs and Class IV servants, store purchase,

Farrashkhana, etc. If in future because of increased work load any further assistance is required at the Headquarter, an R.A.S. officer carrying a special pay of Rs. 150/- may be provided so as to relieve the Chief Engineer of administrative and establishment work.

*Medical and Health Department*

In order to assist the P.M.O. and the D.M.H.O. in matters relating to hospital administration, all the doctors attached to the hospitals should be delegated specific administrative functions and they should, in addition to their normal duties, act as Assistants to the D.M.H.Os or P.M.Os as far as running of the hospitals are concerned just as the officers posted at the headquarters assist the Collector as District Magistrate in the discharge of his functions as officers in charge in addition to their normal work. Grade I hospitals may be provided with an Administrative Officer to assist P.M.O./D.M.H.O. in all administrative matters and in that contingency one post of a general doctor may be kept in abeyance.

At present the Deputy Director (Administration) attached to headquarters is a doctor. Since most of the duties performed by this officer are administrative in nature, it would be desirable to post a very senior R.A.S. officer with a special pay of Rs. 150/- on this post thus relieving the doctor for his more important professional duties.

*Animal Husbandry Department*

In order to relieve the District Animal Husbandry Officer of some of his administrative duties, all Veterinary Assistant Surgeons in independent charge of district hospital should be declared as Head of Offices and an appropriate delegation of powers made to them.

All administrative work relating

to the offices of the Deputy Directors may be done by the Deputy Director (Administration) attached to the Head Office. This will relieve the Deputy Directors (Technical) of their administrative duties and enable them to discharge their technical functions more effectively. As a precondition to this however all Deputy Directors at the Headquarters should be located in one building.

#### *Agriculture Department*

The General recommendations made with regard to the application of powers and functions in matters relating to establishment should be given effect by this department as there is considerable centralisation in this respect at present.

#### *Mines Department*

The Director of Mines should consider the possibility of delegating all powers of appointments, postings and transfers of junior technical hands to the Mining Engineers.

A considerable portion of the time of Mining Engineers is taken up in administrative work of the following nature:

- (i) Recovery of dues;
- (ii) Clearing of objections and other case work;
- (iii) Signing of receipts and challans;
- (iv) Receiving applications and taking action thereon;
- (v) Establishment matters;
- (vi) Important matters and Purchases.

To relieve the Mining Engineers of these duties, five posts of Tehsildars should be created, one to be

attached to each mining division to look after all the administrative functions. After these posts are created, the three posts of Naib Tehsildars sanctioned for the Mining Engineering offices located at Jaipur, Jodhpur and Kota may be abolished. The Tehsildars should be delegated all powers at present exercised by Mining Engineers with respect to the matters transferred to them. They will also be required to look after the recovery and case work relating to the cricles of the Assistant Mining Engineers, i.e., Alwar, Sawaimadhopur, Banswara, Manganar, Bikaner and Ajmer.

#### *College Education*

It would be much more profitable to appoint a senior R.A.S. officer as Deputy Director, College Education (Headquarters) instead of a professional hand whose services may be utilised in a more profitable manner for teaching purposes. It would be appropriate for those in the teaching profession to remain in direct touch with their professional duties and a tenure on a purely administrative post for three or four years is apt to prove harmful to their professional work also.

In all colleges where there are more than 750 students, an Administrative Officer should be appointed to assist the Principal. This officer should be selected from amongst the graduate Office Superintendents Grade I of the degree colleges and departmental offices, and should be in the grade of Rs. 250-500. Administrative and financial powers should be delegated to him.

**GOVERNMENT OF MAHARASHTRA, GENERAL ADMINISTRATION DEPARTMENT (REORGANISATION), REPORT ON THE REORGANISATION OF GOVERNMENT OFFICES CONSEQUENT ON THE DEMOCRATIC DECENTRALISATION, Bombay, 1963.**

Under a resolution of the State Government dated June 7, 1962,

Shri V.M. Joshi, I.C.S., was appointed as Officer on Special Duty in the

General Administration Department to review the strength of the staff in the various offices affected by the transfer of work to the Zilla Parishads. The terms of reference were laid down in a directive which included, *inter alia*, the following:

(1) To examine the effects of transfer of functions and activities to Zilla Parishads and Panchayat Samitis on the Government Offices dealing with the subjects\* at all levels, viz. State, Division, District, Taluka/Tahsil and below (for example, changes in the nature of responsibilities at various points, changes in methods of working, etc.).

(2) To study the work-load in the Government Offices prior to 1st May, 1962, and assess the reduction in the work-load due to decentralisation of powers and functions to Zilla Parishads and Panchayat Samitis.

(3) To examine whether any functions retained in the State Sector should be allotted to the Zilla Parishads for execution on agency basis.

(4) To assess the possible reduction in the staff of the Government offices in consideration of the reduction in their work-load due to decentralisation and suggest a phased programme for such reduction.

(5) To suggest measures for relieving technical officers of routine administrative functions as far as practicable so that the maximum possible time of technical officers can be devoted to technical supervision and guidance.

(6) To examine whether it is necessary to transfer any additional functions to the Collector to maintain the status of his post and also to ensure that he has adequate work.

(7) In consideration of the above factors, to suggest reorganisation (including creation of additional

posts and conversion of posts) of the Government offices at different levels with reference to the future needs of these offices, keeping in view the work involved in relation to Zilla Parishads and Panchayat Samitis, particularly of giving adequate technical guidance to these bodies.

The Report was submitted to the Government on November 9, 1962. Some of the important recommendations of the Report are given below:

### *General Recommendations*

1. It would be desirable to make a second review of the affected offices after the work of the Zilla Parishads and Panchayat Samitis has settled down.

2. After gaining experience of the working of the democratic decentralisation scheme for two or three years, it may be considered whether it would be desirable to reduce the degree of supervision by Government officers over the Zilla Parishad officials and corresponding reduction made in the strength of regional and higher level officers. At that time it may also be considered whether any more functions should be entrusted to the Zilla Parishads either directly or on agency basis.

3. In view of the liberalised staff pattern sanctioned for the Zilla Parishads, it is necessary to review all sanctions previously granted for P.W.R. schemes for posts at the district and regional levels in order to ascertain what reduction could be made in them.

### *Finance Department*

As staff has been provided for Zilla Parishads on a liberal scale, a review should be made of all sanctions for posts under the Third Five Year Plan Schemes in order to assess what reduction can be made in the

\*Agriculture, Minor Irrigation, Animal Husbandry, Public Health, Education Industries, Social Welfare, Communications, Co-operation, Medical, Ayurved, Public Health Engineering, Publicity, and Treasuries.



posts at the district and regional levels.

#### *Co-operation and Rural Development Department*

The Co-operation and Rural Development Department should expedite the settlement by all Departments of questions of procedure relating to functions transferred to Zilla Parishads.

#### *Revenue Department*

After completion of the work relating to land reforms it should be examined whether posts of Resident Deputy Collectors can be retrenched in the lighter districts.

#### *Education Department*

Since the Inspectresses of the Secondary Schools will be discharging functions which have been transferred to Zilla Parishads, it should be examined whether the work done by them can be taken into account while determining the agency charges payable to the Zilla Parishads.

#### *Social Welfare Department*

If it is ultimately decided to transfer the Backward Class hostels to the control of Zilla Parishads, the strength of the staff in the regional and head offices should be reviewed again as further retrenchment might be possible.

#### *Agriculture Department*

After the Agriculture and Forest Department has in consultation with the Co-operation & Rural Development Department determined the duties remaining with the former Department consequent to transfer of

horticultural scheme to Zilla Parishads, the staff under the Horticulturist to Government should be reviewed.

#### *Buildings and Communications Department*

The Road Projects divisions and the Designs divisions of the Building and Communications Department will prepare projects and designs useful to the Zilla Parishads. Therefore as in the case of recommendation relating to Inspectresses of Secondary Schools, it should be examined whether these items can be taken into account in fixing agency charges payable to the Zilla Parishads.

#### *Public Health Engineering Department*

The feasibility of retrenchment of some staff in the Public Health Engineering should be considered after schemes costing less than Rs. 5 lakhs in Municipal areas are transferred to Zilla Parishads.

#### *Additional Functions for Collectors*

Collectors should take greater initiative in development schemes in the Government sector particularly in respect of those schemes where the question of popular participation arises as in the case of establishment of co-operative sugar factories.

As development of the rural areas will be the responsibility of the Zilla Parishad, the Collector may concentrate on the development of urban areas and the problems of Municipal administration. He may hold quarterly meetings of the Municipal Presidents for discussing Municipal questions.

## BOOK REVIEWS

*DELEGATION AND AUTONOMY;* By ARTHUR W. MACMAHON, Bombay, Asia Publishing House, 1961, 176p., Rs. 8.50.

Prof. Arthur W. Macmahon has done a great service in delivering lectures at the Indian Institute of Public Administration on the subject which forms the title of this book. Centralization and decentralization are the two sides of the coin of administration and he has done well to emphasize their complementary nature as against attempts at contradistinction which seem to be the theme of the lay public in dealing with administrative problems.

Prof. Macmahon has one drawback. He has the experience of Western economies as his background, for dealing with complex problems of planning and implementation in India. Though the nature of democracy is similar, the canvas in India is entirely different. There is therefore an understandable generalization either way based on analogies that do not fit in. It is not his fault. Any outsider anywhere will have similar disabilities.

His description of planning as sufficiently detached to allow an overall long run articulated view may be taken as the text. Planning has two aspects: the political and the methodology. The latter is distorted by the former though it may be said to present some uniform features in different societies. But in view of the former, i.e., the political features, planning has to have organic relationship with that which gives rise to it. The view on planning can be detached only to the extent of the wise use of resources on given assignments. It is a different matter where maximization has to be attempted on the allocation of limited resources or

ways and means have to be devised to raise them in which political philosophy plays a prominent part.

Centralization - decentralization are themselves the result of pressures, lobbies and the needs of the times. Prof. Macmahon has considered the subject on a very wide canvas embracing the district administration, the Centre-State relations, and statutory devolution.

His remarks on the utility of the Collector are interesting. Many a thesis has been built round this functionary. He has been styled as the residuary of the imperialist days, as a co-ordinator *par excellence* and the lynch pin of administration. The role is being changed a great deal recently. The Block Development Officer is stealing some of his virtues and vices at a lower echelon of administration and the impact of democratic decentralization is resulting in assigning some of his functions to the people at large through their elected representatives. As it always happens the pressures call the tune, the principles are winked at before changes are made and the result is a variegated pattern which looks somewhat different to different people. Democratic decentralization itself had sown seeds of centralization in the Zilla Parishads. The more the layers of authority, the greater the attempt at usurping initiative from below.

Prof. Macmahon has compared the Collector to the Prefect. This comparison is neither apt nor relevant. The two may represent the same administrative principle but in vastly differing environments.

The Centre-State relationship is a difficult matter in a federation of our type. There is little mobility among politicians for the purposes of election. We are breeding a race of younger politicians who have every opportunity of being imbued with parochial ideas as they function in the formative period of their lives in narrow fields and depend on local loyalties for political success. They distort the federal picture and try to destroy the federal image from their provincial positions. Later when they come to the Centre, they become the prisoners of their own previous utterances in support of state dogmas. The perspective can be somewhat improved if the political parties can take the risk of putting up a number of their parliamentary candidates compulsorily from States other than to which the persons belong. The risks to the parties are great but benefits to the country are enormous. In this context an outsider's opinion about Centre-State relationships in India is valuable.

Prof. Macmahon answers two complaints regarding the Indian Federal Administration. To the question whether this system has drained away the taxable resources, freedom of action and the initiative of the States, he gives a categorical 'NO'. He has also no doubt that the needed vigour and consistency of administration can be assured in view of the extent to which the plants for agriculture, Community Development and Welfare are dependent upon States for adoption and execution. He feels that the States should be more ingenious and courageous in drawing upon resources within their reach and that the total planning process is circular in which the States play a dominant and useful role by presenting their views on more than one occasion.

We should understand, as Prof. Macmahon no doubt does, the value of the Planning Com-

mission and the National Development Council in this context. Some people in politics and administration dismiss it as a fifth wheel to the coach. Many an administrator in the States and the Centre has his grouse against the Planning Commission. The value of the Commission lies in tying up neatly and without undue rancour the allocation of resources to major national objectives. Because of its immense value in these fields, there has to be great deal of thought devoted to its membership, staffing, and functions. Some of the last may appear redundant and/or overlapping with existing ministries and State Secretariats but the value of seeming to be impartial after investigations in respect of contending parties should not be underestimated. Prof. Macmahon has drawn attention to the unifying role of the Planning Commission which is missed inside the country by its critics. There is some anomaly between the Planning and Finance Commissions' work but this is capable of being adjusted.

After discussing the need for integration and the importance of decentralization in the administrative sphere, Prof. Macmahon analyses the problems of delegation and of autonomous structure and procedures that arise in the public regulation or guidance of action in the private sector. In the discussion of the Rule of Law, he brings in two concepts that the Government should act upon the basis of rules made in advance in the light of generalised conditions so that these can be applied without individual malice or favouritism and that these basic rules should be framed by a duly elected legislature. He poses five important questions about the details to be incorporated in the legislation, power of the Executive to act in the absence of or in anticipation of the legislation, limits on the rights of the Legislature or its organs

to participate in the execution of the laws and the machinery to safeguard the processes of delegation without crippling the rightful needs of the administration for prompt action. He answers all of these questions by quoting extensively from the experience of the U.S.A. and the decisions of its courts. He feels that the experience of the bodies like the Indian Committee on Subordinate Legislation will have suggestive values for all the countries. As regards the relations between the Administration and Judiciary in regularizing economic activity, he feels that a recognition of the proper limits of judicial review of administrative action is a very crucial factor in effective administration. Arguments in support of and against the judicial method of determination are discussed but it is also recognized that the administrative process in the field of economic regulation is of an integral nature and that there should be a finality for administrative decisions. If this is not achieved, the autonomous role that is the virtue of an independent judiciary is a handicap to effective administration in the public interest. As a phase of the Rule of Law, the judicial review should be accommodated to the necessities inherent in the development of modern systems. The system of hearing examiners, prevailing in the U.S.A., is discussed fully and then the attention is drawn to the structure of Regulatory Boards and Commissions from the standpoint of this relationship to the executive process as a whole. He says that this experience is still not conclusive. There are differences of opinion about the conduct of the regulatory functions in the economic field. From a review of the working of the Commissions and the various criticisms levelled against them, he concludes that the main deficiency lies in the unresolved nature of much of the basic legislation itself from the stand-

point of a clear policy decisions and this may well be a lesson for India. So far as India is concerned, he asserts that there are already tendencies to treat the industries partially separately. The need for co-ordination in economic regulations is the basis for national planning and the control and regulation of foreign exchange have far-reaching effects. This is perhaps true of all mixed economies, in which the development needs force the governmental institutions to be plural in character.

In the end, he considers problems of structure and relationships which arise when Government enters the market place on a voluntary basis and undertakes to supply goods and services for a fee or price. The main problem is how a Government can organize itself to be an efficient and socially constructive entrepreneur consistently with its political role. It is not easy to reply to this question without considering the question of 'why'. The purposes of public enterprise react upon its form. The structure and the procedures are always determined by the objectives for the time being, relevant.

One need not refer to the various detailed points made by Prof. Macmahon on the structure of public enterprises. We have a long record of experimentation and we settled in favour of various forms which we have woven into infinite shades depending on the whims and fancies of those in charge on the basis of such advice as they receive. This is a big subject and cannot be contained in this review. But it is possible to say generally that our attitude in these matters has been both opportunistic and escapist. One of our important contributions is the constitution of statutory companies for state undertakings, a silent tribute to the forms of the private sector with all its shortcomings and without its attributes and environment. Probably, escape from the Union Public Service

Commission was one reason for it. And sometimes autonomy given formally is revoked informally through various equally informal devices while at others we run riot with autonomy for the sake of autonomy. The crux of the matter lies in the type of responsibility that a minister carries and the Parliament insists that he should. So long as contracts and employment predominate in the thinking of public enterprises, and

we cannot depend upon the judgment and integrity of the people in charge in respect of them, all talk of autonomy is valueless. Whatever we speak about is theoretical and academic. One has sympathy with Prof. Macmahon but it is a truism that one look from the inside gives more knowledge than a thousand peeps from without.

INDARJIT SINGH

*INDIA AND PAKISTAN—A Short Political Guide*; By HUGH TINKER, London, Pall Mall Press, 1962, 228p., 22/6.

Hugh Tinker's thesis appears to be that India and Pakistan are rooted in a common traditional society and authority and perhaps will reap the same fruit, namely, dictatorship flourishing Basic Democracies as a solace for the masses, unless India takes care of her parliamentary democracy by broadbasing it with a greater dose of political liberty and social equality. There is little doubt that he is biased in favour of Pakistan and would have her return to true democracy. But he is most anxious that within India nationalism, parliamentary democracy and local self-government must be more deep-rooted as in Great Britain and less exposed to the hazards of gross party politics as in the U.S.A. and of civil war and anarchy as in Pakistan, and he is confident that India can do these.

He is still under the impression (in Chapter II) that the British Government and the millions of Muslims were so badly treated by the Congress (which then spoke for the whole Indian nation) that partition of India became inevitable and that this partition, in its turn, has been a source of other problems for India like Kashmir, minorities, communalism, etc. which have assumed an international importance. But Tinker is not concerned with discovering solutions for these. He is interested in less difficult problems.

The next chapter is, therefore, not on Kashmir but on nationalism. Kashmir is relegated to the Appendix and a queer title "India: A Nation in the Making?" is given to this chapter. The author seems to have forgotten that in the very first chapter of the book he had noted that nationalism had divided the sub-continent into India and Pakistan (p. 20) as in Austria-Hungary and that with the attainment of Independence the Freedom Movement had ended and that a new era began with Mahatma's death (p. 43). The most appropriate title would be 'Is India a Nation in the Unmaking?' because in this third chapter he has concerned himself with the gradual decline of national unity and with the general causes for that decline.

There are four or five conspicuous facts which make him apprehend this danger. First, the supremacy of Shri Jawaharlal Nehru (pp. 50, 68 and 203). Second, the expanding net of self-gain (p. 61). Third, the growing power of the Executive everywhere (p. 63). Fourth, the absence of dynamic spirit in the States (p. 68). And five, Shri Nehru's intolerance of opposition parties (p. 66). Every one of these is formidable by itself but in the aggregate most tragic if not hazardous for the preservation of national unity.

In Chapters V to VIII, Tinker goes deep into the fate of parliamentary

democracy under the control of the Congress party in the last fifteen years. He analyses the organizations and policies of all political parties and concludes that at the top India wants a first-class exposition of the theory of Sarvodaya or general will and down below a few parties giving expression to "a new intensity based upon a new consciousness that power might be acquired by organization and agitation" (p. 122). Then, he considers the influence of language and caste upon politics and lays down like a law of nature that in India state politics is caste politics. He fears that civil equality is found only in the Indian Constitution and that the expansion of Hindi in the lands lying south of the Vindhyas would be resisted. Afterwards, he examines the condition of the Army, the Civil Service, the Judiciary, and the Press, in the Congress Raj and states that except for the Army, which is still untarnished by politics, the others have been subordinated to the iron will of the party in power. Consequently, the Government of India is gradually losing its democratic character and the lamp of parliamentary democracy is becoming dry without oil. It is dangerously bordering a 'slave state' (p. 121) according to Shri M.R. Masani, M.P.

Tinker's narrative of the evolution of Panchayati Raj as a national institution is interesting but not thorough. The historical portion is sketchy, and his observations on the actual working of the scheme are cryptic. It is not clear whether he upholds the elections on party basis or approves of the lavish provision of funds as incentives to hard work. He does not also lead us to hope that the Panchayati Raj would serve as a solid foundation for a Western type of democracy in India. If the object of the Indian planners is to evolve and to establish a communi-

tarian society, on the pattern of Jayaprakash Narayan, with panchayats from the bottom to the top and with practically no arduous work for the Parliament at New Delhi, then the Panchayati Raj of today cannot be the basis of a Western type of democracy. A communitarian scheme of government would but induce an opposite system, a classless one. But this is pure conjecture. Tinker is, therefore, happy with the innocent fact that the masses in the villages who are 'the natural leaders of society' have been given a definite place and a well-defined responsibility in the general administration of their country.

There can be no doubt that Tinker's small book is a thought-provoking book on Indian politics within two hundred pages of clear type. His style is persuasive besides being simple and straight forward. But as stated already, it is a book with a purpose. It contains an Englishman's estimate of the promise and the performance of the one party—the Congress which wrested power from the British, antagonized Jinnah and has been in power for fifteen years continuously, which is not likely to give place to any other party or group and which will end without fulfilling its avowed purpose, namely, completing its programme of 'the revolution of rising expectations' (pp. 58, 97). Broadly, he may be right. But his personal prejudices are many. First, for example, he could never imagine that Shri Nehru would retire Shri V. K. Krishna Menon in response to people's will as expressed in Parliament. To the extent that the Prime Minister bowed to the mandate of the Parliament in this case, he ceased to be an autocrat and saved our parliamentary democracy. Tinker never suggests that Nehru is a democrat at core. Secondly, he suggests that India, like Pakistan, must in the long run

decide between the 'pen and the sword' and the decision must rest upon the national leader after Shri Nehru. Chapter X is devoted to this subject, at the end of the book. The book would have been more agreeable if this chapter had been omitted. But with Tinker discretion is not the better part of valour.

It is not usual to point to errors of printing or to the mistakes of grammar and composition by the author. But this review must follow an exceptional course, having regard to the two handicaps of the author, viz., his comparative ignorance of South India and its history and his

general indifference to literary qualities and principles. As the examples of these defects are too numerous in a book of this size, only one of each will be given here as an illustration. On page 178, it must be 'Sir Thomas Munro', not 'James Munro'; it was Sir Thomas who recorded the famous minute on the relations of an alien government and the local press. On page 149, 'bell-wether' has been spelt as 'bell-weather'. And on pages 79-80, a sentence runs as follows: 'The three strong men in the cabinet were none of them politicians'. And all these, by an English writer!

K. N. V. SASTRI

*SOCIALISM, DEMOCRACY, AND INDUSTRIALIZATION—A Collection of Essays*; By AMLAN DATTA, London, George Allen & Unwin, 1962, 118p., 16s.

This small volume of 118 pages, neatly printed and neatly got up, deals with the all-important question of industrialization in the emerging nations of today which seek to build up their economies as quickly as possible. The first part of the book has for its title 'Socialism and Democracy', and the second is entitled 'Industrialization'.

It is the contention of the writer that co-operative socialism functioning within the framework of democracy is far superior to the Soviet Communism, even though the latter makes its appeal to industrially backward countries because of its detailed planning and the nationalization of the means of production. The author rightly argues that the same ends sought by Communism can be achieved by less drastic methods. His emphasis is on the dignity of man and voluntary co-operation, while the emphasis of Communism is on dictatorship and compulsory co-operation.

Just as there are the above two leading types of socialism in the present-day world, so there are two types of democracy, viz., liberal and

the collectivist. Both of them can be traced back to the nationalist tradition as it has come down from Rousseau, Hegel, and Marx. Every totalitarian ideology is an organized attack on civilization and as such merits total rejection. Liberal democracy of a positive kind, on the other hand, not only stresses the right of the individual to material security, but also stands for his right to freedom of thought and expression and freedom of organization.

The co-operative approach, believes the author, can accomplish the economic results of communism without its attendant evils. Centralization of capital whether it be in the hands of a few persons, as in a capitalist order, or in that of the state, as under communism, kills all initiative. The old-fashioned liberalism and the militant collectivism of our day must give place to the co-operative approach which is not merely an economic or political system but also embodies a sound social philosophy. It has an ethical-spiritual dimension. The desire for fellowship for its own sake is a part of human nature so much so that if

this desire is starved for long, there is a danger of the disintegration of personality.

While what the author has to say on co-operative socialism and democracy is unexceptionable, in countries like India where socialism and democratic and co-operative traditions are not deep-rooted, one fails to see a relevant proportion between the time, energy, and public funds spent on the one hand and the results achieved on the other. One sometimes wonders whether the iron hand of discipline can accomplish things which the slow-moving and ineffective democratic methods have failed to do so far. The only comforting thought is democracy and discipline need not be opposed to each other.

On the question of co-operative farming the author holds that there are different degrees and forms of it and that while some are clearly compatible with the principle of democratic co-operation, others are not. In the case of India he believes that the most suitable form is individual peasant-holding supported by service co-operatives, working within a regimented rural community with an alert local leadership.

As regards industrialization, the author has certain pertinent remarks to make. Contrasting industrial development in Britain and Japan with that in Russia, he says that while in the former two countries the development of heavy industries has followed—not preceded—the development of light industries, in the latter the emphasis has been on

heavy industries from the start; and this has been combined with an ideological fanaticism, which is the end of democracy. If one must plead for heavy industry, it is much better that it should be heavy industry without Marxism-Leninism.

The author realizes that a danger confronting co-operative democracy is that it may slip towards the Fascist type of corporative state with its emphasis on a narrow-minded nationalism. To prevent that calamity from happening, he recommends (i) top-level joint consultation committees between the party in power and the Opposition parties; (ii) exploration of the idea of politics without parties; (iii) the development of socialism from below instead of its imposition from above; (iv) workers' co-operation and participation in management; (v) decentralization and dispersal of industries; and (vi) the development of leadership from the grass roots.

To none of these suggestions would any impartial person object. But they are all slow-moving. The sands of time are running fast. If co-operative or democratic socialism is to save India, it must act promptly and effectively. Half-way measures and palliatives will not do. Without national discipline and fundamental honesty, no scheme, however well-planned and ably spelt out, will succeed.

The book is heartily recommended to all those who strive to see a better and brighter India.

E. ASIRVATHAM

**INDIAN CONSTITUTIONAL LAW;** By M.P. JAIN, Bombay, N.M. Tripathi Private Ltd., 1962, pp. xxvi+680, Rs. 25.

The book under review is a second venture of Dr. M.P. Jain at textbook writing, and in a very important field of law. It is intended, as stated by him (p. viii) for the benefit of students, primarily of law. It is in a "narrative form" in order,

as claimed by the author, the students may have "a coherent and integrated picture of the constitution" (p. vii), to further secure which he has followed his own arrangement of the subject, departing substantially from that of the Constitution.



The book is divided into eight parts: (1) Introductory, (2) The Central Government, (3) The States and the Union Territories, (4) The Federal System, (5) Political and Civil Rights, (6) Miscellaneous Topics, (7) Constitutional Interpretation, and (8) Amendment of the Constitution. While the narrative form may have its own advantages, especially to a lay reader, it should not result in the law students neglecting the study of the original provisions of the Constitution; nor should the arrangement of the topics by the author, in which he has relegated Citizenship, Fundamental Rights and Directive Principles of State Policy to a much later stage for treatment, be taken to imply that they are, for that reason, less important.

From an author who has been teaching the subject for over sixteen years, one would expect a bolder and more precise statement of his views than are contained in the book. Excepting in a few places, he has tried to be too cautious, sometimes verging on hesitation. This has resulted in the book being a more matter of fact presentation than a very stimulating and thought-provoking treatise, affording the students adequate guidance in their understanding of the many difficult problems involved.

On the views of the author a few observations may be made.

Contrary to the view of Professor K. C. Wheare, Dr. Jain thinks that our Constitution is not merely "quasi-federal" but federal (pp. 332-33), though different from other patterns of federations, e.g., the U.S.A. Having regard to the many provisions in our Constitution, vesting so much power in the centre, especially the Emergency Provisions, one would seriously combat the views of the author.

Discussing the constitutional position of the President, while taking the view like many others that

the real powers vest in the Cabinet and the Prime Minister, the author seems inclined to think that the President of India may have really more powers than the Crown in England, as his reference to the "marginal discretion" of the President, which in some matters like the dissolving of the Lok Sabha may, in his view, assume great importance in times of crisis (p. 101). Usually dissolution is on the advice of the Cabinet and the Prime Minister, and the expectation is that the President would follow well-known constitutional conventions and practices. The reference to "marginal discretion" is rather obscure.

The views of the author on the constitutional validity of S. 124-A of the Indian Penal Code smack rather of popular belief and desire. He says the provisions are "out of tune with the modern democratic trend in the country" (p. 397),—a view which one might controvert, for freedom and independence do not imply the right to indulge in seditious libel.

There is a good discussion on the doctrine of eclipse (pp. 354-55), but the author does not categorically say what his own views are; he is content to observe that "on the whole the majority view of the Supreme Court appears to be the better one."

Dealing with Art. 21 and the decisions thereunder, the author cites with approval some of the foreign writers who hold the opinion that the Supreme Court's interpretation of Art. 21 "is extremely literal", and can be "characterised as pedantic, dictionary-meaning approach" (p. 437). The author observes that Art. 21 in a way gives a *carte blanche* to the legislature to make a law to provide for the arrest of any person under any circumstances without laying down any procedural safeguard (p. 439). It is surprising that so cautious and hesitant a person like the author should make such a

sweeping remark.

While dealing with the judiciary and its interpretation of the Constitution, the author criticises the Supreme Court for interpreting the Constitution as an ordinary statute and according to the ordinary restricted canons of statutory construction. He adds that "there is not much recognition of the essential creative legislative role which a judge, exercising the power of judicial review of a written constitutional instrument can play" (p. 610). He remarks that the judges "have interpreted their role in baldly positivist terms", and he desires that the judges should "take recourse to policy considerations." On the one hand what exactly the author means is not quite clear,—especially by his reference to the role of the judges in "positivist terms"; on the other the suggestion of the author is exactly that which the chief architects of the Constitution, like Shri A. Krishnaswamy Aiyar, wanted to avoid. The framers of the Indian Constitution did not want that the Supreme Court should act as a super-legislature; and one would commend the highly wise and restrained attitude of the judges, especially of the Supreme Court, for not venturing on fields like those suggested by the author.

Dealing with the provisions for amending the Constitution and the amendments so far made, the author says, "The cumulative general effect of the various amendments up-to-date has mainly been to restrict the scope and ambit of Fundamental Rights, and to give more power to the centre, . . ." (p. 638). He further observes "the facility with which it has been possible to amend the constitution so far has not, it may be stated, encouraged and promoted in the hearts of the people deep respect for the constitution as a symbol having sanctity and permanence" (p. 639). His reference to the increased power of the Centre will be agreed

to, but one would hesitate to accept the validity of the other observations. Where rights are stated in absolute or unqualified terms it becomes necessary to indicate the practical limitations in their exercise as experience is gathered. The reference to "symbol having sanctity" is obscure.

One wishes that the treatment of the Directive Principles of State Policy is not so meagre. There is no reference to the thought-provoking article of Dr. P.K. Tripathi that appeared in the Supreme Court Journal of 1954. A more adequate discussion of the subjects would be welcome, especially to the students.

The book covers the law up to the end of 1961. Decisions of the Supreme Court rendered after the book was completed, and while it appears to have been in the press, are collected in the Annexure. This should prove very useful to the students. On a subject like the Indian Constitution which has been in force only for a little over thirteen years, there will be fresh and important decisions of courts coming, and also further amendments even before the ink is dry on the last page. Therefore a book on our Constitution gets somewhat out-of-date very quickly. For this no blame can attach to the author. Since the book was released, there have been some very important judgments of the Supreme Court such as the *State of Rajasthan v. Vidyavati*, A.I.R., June 1962, *Ujjam Bai v. State of U.P.*, A.I.R., Oct. 1962, *Balaji v. State of Mysore*, and *State of West Bengal v. The Union of India*. We have also an amendment of the Constitution regarding the retirement age of the High Court Judges and opportunity to be given under Art. 311 practically accepted by the Parliament. The students would do well to keep track of the changes in the Constitution and the important decisions bearing thereon.

The book abounds in case law, and makes useful references to relevant foreign judgments, principally to those of the United States. The information contained in the book is ample, and the footnotes are copious. Indeed the book contains such detailed information that one wonders whether it would not be too burdensome for the average student. The book exhibits a vast amount of reading and great industry. The state-

ment of the law is, on the whole, comprehensive and accurate. The students will profit greatly by reading it, and it is bound to be very helpful for the teachers who have to teach Indian Constitutional Law. On the whole, Dr. Jain deserves congratulations on his work which is a very useful addition to the literature on the subject.

L. R. SIVASUBRAMANIAN

*INDUSTRIAL MANAGEMENT POOL—An Administrative Experiment*; By H.K. PARANJAPPE, New Delhi, The Indian Institute of Public Administration, 1962, pp. xi+127, Rs. 4.

Dr. Paranjape deserves to be congratulated for attempting a study of a sensitive but vastly growing area of Government operations. In a sense it is a pioneering effort in which an academician has undertaken a probe into the management processes of Government. It is hoped that this would usher in a period of fruitful partnership between Government and academic institutions in the study of problems of public administration.

This study of an administrative experiment to provide managerial personnel to public sector undertakings should prove of value to other developing countries which are likely to face somewhat similar manpower problems.

Part I of the book contains a painstaking analysis of the evolution of the concept, the main features of the scheme, the background of selected candidates, the scheme in operation, etc. The last subject has been dealt with at length in Chapter IV of this part—"The Scheme in Operation From Recruitment to Postings" and in Chapter V—"Problems After Postings". These present a rather dismal picture of the manner in which the Scheme has been implemented.

In part II, Dr. Paranjape describes in brief the essence of the management function and offers

his own views about recruitment of managerial personnel and in that context the need or otherwise for the constitution of a separate Managerial Service.

His conclusion is that the scheme of the Industrial Management Pool has failed in fulfilling the purpose it was designed for, and that there is no need for its continuance. He puts forth the thesis that in view of the special needs of each individual enterprise and its unflinching urge to maintain functional autonomy, recruitment and development of managerial personnel should be left to the enterprise itself. The only exception he makes is at the higher echelons of management where he believes that an informal pool of senior management personnel for allied undertakings could be formed, from which Government, who are concerned with appointments at this level, could draw upon.

The author has undoubtedly attempted to encompass all relevant aspects of this difficult administrative problem. Some basic questions, however, which have been identified have not been fully explored perhaps for want of access to fuller information.

Some such questions are:

Was the formation of the Industrial Management Pool based on felt needs of the undertakings which

the Pool was intended to serve? If not, to what extent was this fact alone responsible for its failure?

If it was based on felt needs, why was it that the public sector undertakings were reluctant to earmark posts for inclusion in the Pool? It would appear that even the initial strength of the Pool was fixed without consideration of the number of posts that were likely to be filled.

Was encroachment on the autonomy of individual undertakings adequately guarded against by a mere change of nomenclature from 'Service' to 'Pool'?

Was the location of administrative control over the 'Pool' a significant factor in the failure of the Scheme? Could there have been an alternative organisational arrangement to this seemingly 'remote' control?

If the intention was to break away from traditional concepts of service structures, was it fully achieved? Was the fixation of a ceiling lower than the highest in the administrative services a factor indicative of the 'status' that was intended to be assigned to the 'Pool'?

Was the formalization of a large

body of management personnel representing a variety of heterogeneous disciplines into a single structure a feasible proposition? Was this conducive to managerial manpower development?

While some of these have certainly been touched upon *en passant*, these are fascinating aspects on which the readers would have liked to have more light thrown.

With regard to his main conclusions for future policy, summarised in para 10.13, there can be no quarrel except that perhaps even the informal pool of senior management personnel mooted by the author is not likely to be an operational success, for precisely the same reasons as have contributed to the failure of the Pool.

It might be interesting to have a similar study made of the constitution and operation of the Central Administrative Pool which was designed to man senior positions in Ministries/Departments of Government concerned with economic development, but which seems to be languishing for lack of zest for its implementation.

K. N. BUTANI

**MANAGERIAL PROBLEMS IN PUBLIC ENTERPRISE;** By A. H. HANSON, Bombay, Asia Publishing House, 1962, v+148p., Rs. 9.00.

Due to his numerous contributions on the various aspects of public enterprises, Mr. A.H. Hanson is so well known to students of public enterprises in his country and abroad that it is only natural that any publication that bears his name should attract wide attention.

The volume under review contains his lectures delivered at the Indian Institute of Public Administration in December 1959. Taken together his lectures cover nearly all that is important for public enterprises in his own country or elsewhere, including India. Mr. Hanson has based his remarks in the background of British experience. This, however,

does not mean that they are less relevant for us or others.

Although for persons familiar with Mr. Hanson's other famous works on the subject, there is scarcely anything new in the present work, being a collection of lectures, it is so full of happy rhetorics and penetrating recipes of British humour and sarcasm that it makes a really communicative and refreshing reading.

The technique employed by Mr. Hanson in these lectures was to put questions to himself and then try to answer them. Whether one agrees or not with the answers that he gives, hints, or even avoids, the refreshing thing about them is that they are

based on commonsense, logic and practical experience. He swears by no dogmas and is pragmatic.

Questions raised by him relate to form of organization, the governing board, and issues regarding autonomy and parliamentary control, nature and type of auditing, budgeting, investigations done by Parliamentary Committees, personnel policy, and so on. He puts a number of other questions also, viz. whether the distinction between public enterprise and ordinary government departments is a correct one; is it true that the ministerial control with parliamentary supervision are the real causes of unimaginative routine and cautious administrative behaviour; is the running of public enterprise on the departmental pattern really inimical to commercial efficiency; is not efficiency the product of the spirit in which the enterprise is run rather than of the constitutional form that is given to it; must public enterprise be protected from inquisitive guardians of public interest, i.e., the Ministers and the Members of Parliament; how far and in what sense is a public enterprise different from private enterprise; what is special about the personnel policy followed by public enterprise; should there be a separate Committee of the Parliament instead of the Estimates and the Public Accounts Committee for examining the efficiency of public enterprises, etc.

Mr. Hanson does not provide "off the cuff" replies to the above questions. He relies on the context and the commonsense. Regarding the form of organization he thinks that more than the constitution, spirit matters. It is difficult not to agree with this general remark of Mr. Hanson. If the Government chooses to violate the spirit behind the constitution, a public corporation can as well function inefficiently. Even so would it not improve matters, one wonders, if powers and functions

were statutorily defined between the controlling Ministry and the enterprise concerned. If the company type of organization in our country were run in the correct spirit, no one would have any quarrel with it. Many persons in India are, however, not fully convinced that this is the case. It was expected that after the teething troubles were over things would improve. This hope has been belied. In this respect the warnings of the Estimates Committee continue to hold good. The companies have not yet ceased to be looked upon as branches of the controlling Ministry. They continue to be treated as such in many more ways than is generally known to the general public. It is idle to expect facts regarding this to be fully known. They are beyond the reach of research scholars and hardly within the knowledge of the Members of Parliament. The secrets of this are shared by the management and the controlling Ministry and it is certainly not very fair to expect disciplined civil servant managers of the boards conditioned by rules and regulations and traditional codes of conduct to bring facts in the open and stand up to the Minister.

Regarding the questions of autonomy and parliamentary control, Mr. Hanson thinks that the dichotomy between the two cannot be solved by raising them to the high pedestal of principles. He very correctly leaves the entire issue to the care of right conventions. On the question of the constitution of a special Committee of the Parliament, which is presently under discussion in our country, he has definite views based on British experience. However, as in other similar cases, he shows his preferences, no doubt, but prescribes nothing.

A few limitations apart, these lectures contain the wisdom of a well recognized authority on the subject of public enterprises and are,

therefore, bound to prove useful for students, parliamentarians, managers of public enterprises and others concerned. The Indian Institute of

Public Administration has done well by getting them published in the form of a book.

PARMANAND PRASAD

*THE ADMINISTRATION OF JUSTICE UNDER THE EAST-INDIA COMPANY IN BENGAL, BIHAR AND ORISSA*; By ATUL CHANDRA PATRA, Bombay, Asia Publishing House, 1962, 233p., Rs. 10.

Of all the legacies of British rule over India indubitably the most valuable is the system of administration of justice. Realising its inherent vitality and enduring value, the founding fathers of the Constitution of resurgent India have preserved it intact. It is, therefore, of more than passing interest to survey this judicial system as it was in the early days of the establishment of British power in India by the East India Company and to trace its subsequent developments. Mr. Atul Chandra Patra has set himself this task and has admirably succeeded in producing a monograph which is bound to be most useful and instructive to all students of comparative law.

The author has adopted what he describes as a "functional attitude" to the subject. This attitude is the chief characteristic of the Sociological School of Jurists and it is, therefore, in the fitness of things that Roscoe Pound, the doyen of the Sociological School, should bless the book with an Introduction.

The author begins his survey with a description of the Courts of Justice under the regime of the Nawab. He has pressed into service an unpublished book by an anonymous author which he accidentally found in a bookstore. The authenticity of the work is vouched for by a letter purporting to be from the Director of Archives to the proprietor of the bookstore. This manuscript, though it has not broken any new ground, has enabled the author to give us a clear picture of the Muslim administration of justice under Nawab Sirajuddoula, of the Nizamat dealing

with criminal justice and the Diwani dealing with civil and revenue cases.

The Mayor's Court at Calcutta is treated at some length. This is followed by an account of the Sudder Dewany Adalat, the Chief Court of the Company at Calcutta, which heard appeals from the Diwani Adalats of which one was situated in each District in 1772, when the East India Company decided to stand forth as Dewan. The work of the Court is traced till its supersession by the High Courts Act of 1861. Similarly the work of the Sudder Nizamat Adalat until its abolition by the establishment of the High Court has been traced in some detail.

The work of the Supreme Court at Fort William is then discussed and reference has been made to a number of decisions of this court on various branches of law. Two notable cases—Raja Nandkumar's case and the Patna Case—have not been referred to. The first of these cases has an important bearing on the law to be applied by the Supreme Court. It may be mentioned that the Supreme Court as the successor of the Mayor's Court of 1726 had to apply the English Law existing in England in 1726, so far as it was suitable to Indian conditions. Nandkumar was, however, convicted of the offence of forgery and sentenced to death under an English statute of 1728 which made forgery a capital offence. Whether this statute could be applied to India at that time or whether Mohomedan Law should have been applied to this case is a debatable question on which the author could have thrown some

light. The Patna Case has a vital bearing on the relation of the Supreme Court to the Company's Adalats. The author no doubt observes that he has not referred to these cases as he has adopted the functional attitude. This is not a convincing reason for excluding these important cases from the purview of the section dealing with the Supreme Court at Fort William.

The concluding section contains "General Remarks" of the author which are well worth a careful perusal. The author expresses the opinion that "an accepted social order and the ideal of equality before the law gave to the people a sense of satisfaction on the subject of the administration of justice by the Englishmen". There is no doubt that British Judges steadfastly and successfully pursued the ideal of equality before the law but it is difficult to agree with the conclusion that the people were having a sense of satisfaction. The revolution of 1857 is not attributable entirely to political causes. It is traceable also to an inadequacy of the administration of justice as well. The laws were not comprehensible and the system of justice had too many imperfections to produce any sense of satisfaction. Indeed, realising this the British Government did well to reorganise the system of judicial administration drastically as soon as the Crown took over the administration of the country from the East India Company.

In the treatment of the subject, the author lays stress on the social *milieu* in which the law and the judicial system were operating at that time. We are impressed by the similarity between the problems confronting us today and those which faced the administrators of the East India Company. The legal and judicial systems had to be moulded under the East India Company at a time when the country was in the throes of a transition from the medieval to

the modern epoch in its history. Persian, the court language of the Mughals, was being jettisoned and English was to be accepted and gradually pressed into service as the medium of law and court proceedings. We are now on the threshold of a similar transition when English is to be superseded gradually by Hindi and the regional languages. The East India Company realised the need for the translation of its laws into the native languages. But as observed by the First Indian Law Commission in the First Report on the Penal Code, the draft Indian Penal Code was found absolutely untranslatable. The "Hindu Patriot" in its issue dated Jan. 29, 1857, complained that the promises of simplicity, completeness and general intelligibility which the codifiers claimed for their work failed grossly when brought to the test of practical application.

The Government of India is at present engaged on a similar colossal task of making the law intelligible to the masses by codification of the law in Hindi and the regional languages. This onerous task has been entrusted to the Official Languages (Legislative) Commission. Referring to the work of the First Indian Law Commission, Mr. Norton of the Madras Bar observed that the salary of the Law Commissioners had within a short time reached "the enormous total of £170,000 without furnishing the Indian population with any code of importance whatsoever." What the critic overlooked was that the Commissioners were working apace and had done valuable work though the public were not then aware of it owing to the inevitable time lag between the work of the Commission and its incorporation in statute form. Similar is the case of bodies like the present Law Commission and the Official Language (Legislative) Commission, whose labours will require some time to

make their impact upon the public.

The author's functional approach is to be commended and it is to be hoped that the present work will be the precursor of other works on the

same lines which would illumine the working of the legal and judicial systems in other epochal times of our history.

G. C. VENKATA SUBBA RAO

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## BOOK NOTES

*DECENTRALIZATION FOR NATIONAL AND LOCAL DEVELOPMENT*; Department of Economic and Social Affairs, United Nations, New York, 1962, iv. + 246p., \$3.00.

The study is the report of the deliberations of a Working Group convened by the Public Administration Division of the United Nations in October 1961 to work on "Administrative Aspects of Decentralization for National Development". A discussion paper, prepared by the Public Administration Division, formed the basis for the Working Group's deliberations.

The study is designed for ministers and senior civil servants who are responsible for improving local government and administration, particularly in developing countries, and for technical assistance experts in public administration who may be assigned to assist them.

The study deals with the administrative aspects of decentralization for national development and is primarily concerned with decentralization of general government functions and of technical services, i.e., services in such fields as agriculture, education, health and social welfare, which require co-ordination at the local level, involvement of the individual citizen, and technical support from higher levels.

The study is concerned with the various methods of administering locally the functions and services including administration by field units of the central government, local authorities, special statutory bodies

or combination of these. The study identifies the principal forms of decentralization that can be applied on a nation-wide basis and provides guidance on methods of dealing with the main administrative problems likely to be encountered under each. Special organizations for the development of certain regions or groups are not examined in detail.

The broad headings under which the study is divided are: (i) Purpose and Forms of Decentralization, (ii) Size of Areas and Number of Tiers for Field Administration and Local Government, (iii) Area Division of Powers and Functions, (iv) Participation and Representation of the People, (v) Staffing Decentralized Services, (vi) Financial Aspects of Decentralization, and (vii) Central Agencies for Rational Decentralization and the Improvement of Local Government. A terminology and a note on the "Optimum Areas for Administration of Technical Services"—apart from country papers contributed by the participants including one on India—form useful annexures.

The broad conclusion of the Working Group has been given in three pithy sentences thus: "Centralization and decentralization may be viewed as opposite extremes of a single continuum, neither of which will be a practical choice for any government for any substantial period of time. It is a question of tendency and degree. The choice of direction, and of pace and extent of change, may vary with the stages of political, economic and social development and may be different for different functions."

(1) *TECHNO-ECONOMIC SURVEY OF ANDHRA PRADESH*, 1962, xvi. + 333p., Rs. 20. (2) *TECHNO-ECONOMIC SURVEY OF ASSAM*, 1962, xvi. + 277p., Rs. 20, New Delhi, National Council of Applied Economic Research.

The surveys mentioned above are two of the several techno-economic surveys of various States undertaken by the National Council of Applied Economic Research. The surveys of Andhra Pradesh and Assam were undertaken at the request of the respective State Governments. The object of the surveys is to "investigate into the technically and economically feasible resource-based and other development potentialities" of these States and "to identify and highlight the areas where growth is economically feasible and where a planned effort is needed for bringing about rapid and all-round economic development of the State as a whole."

The method adopted is to analyse, synthesize and evaluate available statistics in relation to objectives. In conducting these surveys the NCAER worked in collaboration with the concerned Departments of the State Governments. The Council conducted field studies through interviews, discussions, and questionnaires.

The survey of Assam is divided into 13 chapters, viz. (1) The Setting, (2) Agriculture and Livestock, (3) Forests, (4) Fisheries, (5) Minerals, (6) Review of Existing Industries, (7) Prospects of Industrial Development, (8) Power, (9) Transport, (10) Manpower, (11) Pattern of Growth, (12) Financial Resources of Development, and (13) Summary of Conclusions and Recommendations. The report on Andhra Pradesh has three additional chapters, viz. "Animal Husbandry", "The State's Role in Industrial Development", and "Andhra Pradesh and the Plans". Each of the reports has several supporting statistical tables, appendices

and index. The Assam Report also contains a bibliography.

The survey of Andhra Pradesh reveals that the State has a weak agricultural sector and inadequate industrial base, without any appreciable development of the tertiary sector. The mineral base is also weak. Commercial exploitation of forest and fishery resources has not gained momentum so far. The State is backward in industries. Its industrial sector contributes only 13% of the State's income. Moreover, the existing inadequate industrial sector is dominated by small enterprises mostly of cottage and village industry type. The net result of such a structure of the economy is its lower per capita income which is estimated at Rs. 232 for 1955-56, as against Rs. 261 for all-India. The survey, however, reveals that Andhra Pradesh presents a fairly bright picture regarding the future prospects of development. This is because many important material resources in the State are yet to be adequately tapped and developed.

The survey concludes that agriculture will have to play a major role in the coming years, not only in the total economic development of the State, but also in providing the main fillip for industrialization. It further concludes that the development of large-scale industrial sector is an immediate need for the State for maintaining a well-balanced and sustained growth of its economy.

The survey envisages an investment of Rs. 1,733 crores both in the public and the private sectors to carry out the development programmes suggested by it. This investment is expected to raise the State's income to Rs. 1,595 crores by 1971 from Rs. 768 crores in 1956, i.e., an annual growth rate of 5.5 per cent. This will also bring the per capita income to a level of Rs. 380 in 1971 (the per capita income for 1955-56 is Rs. 232)

as against the all-India estimate of Rs. 396.

The survey of Assam finds that much of Assam's wealth lies untapped and this could provide a solid base for industrial development. The dependence of a very large proportion of people on agriculture and allied activities (made precarious by threats of floods), the preponderance of tea-manufacturing and oil-mining in the secondary sector, and the smallness of the tertiary sector, are some of the distinguishing characteristics of the State's economy.

The report makes several suggestions and recommendations aimed at rehabilitating the economy of Assam and helping it along the path of rapid and continuing progress over the next decade. The report points out that if Assam's economy is to be lifted out of the declining trend in the next ten years, there is need of promoting the stability of agriculture by putting it on a firm and improved footing, the need for utilization of the material and manpower resources for the State's industrial development, and finally the need for creating an adequate infra-structure as the precondition of industrial growth by way of development of power and transport. In addition, special attention should be given to expand the supply of trained technicians and trained administrative personnel.

The survey concludes that Assam can hope to be one of the highly industrialized as well as agriculturally progressive States of India by about 1971, by pursuing a development programme somewhat on the lines indicated in the report. This would mean an average annual growth rate of 5.8 per cent in the total State's income—a rate close to the all-India level of 6 per cent. Nevertheless, Assam's per capita income is expected to increase only at a rate of 2.2 per cent per year compared

with 3.8 per cent for all-India due to its very higher rate of population growth—3 per cent per year against the national average of 2.2 per cent expected in the next decade.

The reports will be of much use for the States concerned in the framing of their plans, and also to the Centre in making studies of regional growth—a much vexed problem.

*STUDIES IN STATE ADMINISTRATION*; ed. G.S. HALAPPA, Dharwar, Karnatak University, 1963, xv+ 668p., Rs. 15/-.

These studies in State Administration relate for the most part to the new Mysore State. The idea of publishing these studies emanated from a special series of lectures arranged by the Department of Political Science of the Karnatak University, Dharwar, for its students specialising in the field of public administration. The papers included in this volume have been contributed by persons who have distinguished themselves in the theory and practice of administration. Amongst the contributors are a former Governor of Bihar, an ex-Chief Minister of Mysore State, an ex-Minister of Mysore Government, a former Law Minister, the present Speaker of the Mysore Legislative Assembly, several all-India and State Civil Service (serving and retired) officers besides the Vice-Chancellor, members of the faculties and the Assistant Registrar of the Karnatak University.

The topics covered range from an all-India background to the problems of a specific state administration, viz. the Mysore Administration. Under the former are included titles such as (i) Role of Public Administration in a Welfare State, (ii) Administrative Evolution in India—A Review, (iii) Growth of State Administration, (iv) Governor and the State

Administration. (v) The Public Service Commission, (vi) All-India Services, (vii) Zonal Councils, and (viii) Language and Administration. In the latter category are included topics such as: (i) Administrative Evolution in Karnatak, (ii) History of Recruitment in Mysore State, (iii) Mysore Secretariat, (iv) Revenue Administration in Mysore, (v) Judicial Administration in Mysore, (vi) Educational Administration in Mysore, (vii) Democratic Decentralisation in Mysore, (viii) District Administration in Mysore and (ix) Local Self-Government in Mysore. "Reflections on the Sales Tax Administration", "An Insight into Police Administration in Mysore", "Random Thoughts on the Problems of Panchayati Raj Administration", "Organisation and Methods", an edited version of Gorwala Report on Mysore State Administration and "Reorganisation of Mysore State—A Review" also form part of the later category.

The Karnatak University deserves to be congratulated for this very useful compilation on State Administration. There are a couple of books on Indian administration by now, but there are hardly any books on State administration. The reader can get a good idea of the administrative set-up in the States generally as the problems faced in other States are largely similar to those in Mysore.

**A NEW SURVEY OF THE SOCIAL SCIENCES**; ed. BAIDYA NATH VARMA, Bombay, Asia Publishing House, 1962, xiv+ 248p., Rs. 15.

The present volume is a collection of fourteen essays written by recognised authorities in the various branches of social sciences. The object of the book is: "to provide the average citizens (which includes specialists as well) with the fruits of

scientific thinking about society". It is divided into six parts, namely: (i) Political Sciences, (ii) Psychological Sciences, (iii) Socio-Cultural Sciences, (iv) Economic Sciences, (v) Statistical Sciences, and (vi) Methodological and Theoretical Problems. There is also an introductory chapter by the editor.

Each essay is designed to (a) give a definition of the discipline, (b) mention the range of the subject-matter covered by the discipline at present, (c) give a description of some major theories developed on the basis of empirical research, and (d) evaluate the potentialities of the discipline in terms of (i) its further theoretical development, and (ii) its application to the solution of social problems. But, as the editor has pointed out, some contributors have only chartered the general trends in their discipline, whereas others have confined themselves to some more important themes, and still others have provided a running commentary on the major theories in their fields.

In spite of this shortcoming, the book is bound to prove very useful to the students of social sciences particularly those interested in the interdisciplinary approach, because the essence of recent scientific thinking in all major social sciences is presented here under one title—an effort which has not many parallels.

**LAW RELATING TO SERVICES AND DISMISSALS** (being a treatise on Dismissals v. wrongful Dismissals, Employee v. Employer); By S. BALAKRISHNAN, Allahabad, Law Publications, 632p., Rs. 20/-.

It is perhaps misleading to give a serial title viz. "Encyclopedia of Labour Laws Vol. 1" to this book as the author has chosen to do. The unwary public servant is likely to ignore this book thinking that it

deals with only the labour laws. In reality, as the contents will show, only one part is devoted to labour laws and the rest two major parts to service matters of Central and State Government servants.

The general theme of the book is to explain in simple language the basic features of the law relating to services and dismissals. It is intended as a self-contained code of the Law of Services for day-to-day use by the Government offices, industrial establishments and lawyers.

The book consists of three distinct parts. The subject-matter of the first part is the implications of various constitutional provisions relating to public employment, such as equality of opportunity in recruitment, the rules relating to conditions of service and their enforceability, the scope of the doctrine of pleasure and its bearing on service rules, the function of the Service Commission, etc. The important constitutional provisions relating to security of tenure and procedure for disciplinary enquiries with special reference to the requirements of natural justice have also been discussed.


In the first part have also been examined the Conduct Rules with reference to the freedoms under the Constitution; the law relating to prevention of corruption, official secrets and cognate matters; special services like the All-India Services, the Defence Services, etc.; the relevant constitutional provisions relating to certain dignitaries and officials like the President, the Governor and

others; matters relating to service rules like double punishment, punishment after retirement, departmental and other remedies available to the servants; principles governing the grant of pension, gratuity and other retirement benefits. A short chapter on the Law of Services in other countries has also been added to give an interesting background.

The second part deals with the general law relating to Master and Servant, and the discussion is intended to serve as a background for the law relating to government servants on the one hand and industrial workers on the other.

The third part, which deals with the law relating to the industrial workers, makes reference, *inter alia*, to the rules governing their discharge, dismissal and reinstatement. The functions of the Industrial Tribunal and the circumstances under which an order of dismissal or discharge can be upset by such Tribunal, and the grounds for dismissal and the procedure to be followed by the management to satisfy the principles of natural justice have been explained. A comparison has been made between the position of an industrial worker and that of a government servant and points of similarity and difference have been stressed.

For facility of reference, the texts of various statutes, rules and orders have been given in the appendices. Throughout the book the author has endeavoured to elucidate the basic principles of law by reference to decisions of the Supreme Court and the High Courts.



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## THE INDIAN JOURNAL OF PUBLIC ADMINISTRATION

## SPECIAL NUMBER

## ON

## ADMINISTRATIVE REFORMS SINCE INDEPENDENCE

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## FOREWORD

I am glad the Institute is bringing out this special number on "Administrative Reforms Since Independence". The publication is timely and important. Our Plans depend on the achievement of the highest possible standards of administrative and technical efficiency at all levels for their successful implementation. The papers in this issue which deal with different aspects of this problem in the Centre and the States, have been contributed by gentlemen entitled to speak with authority on the subjects they have selected. Besides describing the existing systems, they have made suggestions for improvements. I am sure the papers will be read widely.

The papers deal with important issues like changing patterns in Centre-State relations, patterns of organization in public undertakings, aspects of district administration, etc. on which differences of views are possible. I hope discussions of the more important subjects will be continued in subsequent issues of this Journal.

It might be useful to refer to one important subject which is not mentioned directly in the papers. The successful working of parliamentary democracies depends on the establishment of right relations between cabinets and the civil services in the widest sense. In the United Kingdom these relationships have evolved over a long period and ministers and civil servants have written books and articles explaining them. In 1954, the principles governing these were re-enunciated authoritatively in Parliament in the Crichton Down case. In India, experience of the working of parliamentary democracy began only after Independence and it is of the utmost importance that the principles governing the relationships between cabinets in the Centre and States and civil servants should be worked out clearly in the context of our conditions and that a code of principles should be drawn up and published. It is only in this way that the responsibility of administrative and technical officers for good government can be effectively enforced. I have attempted elsewhere to draw up an outline of such a code. But more than this is needed and I should like to repeat the suggestion I made some time ago that the Institute should organize detailed studies of the subject by representative groups in Delhi and in the regional branches.

Somewhat similar questions have arisen in regard to district administration under the Panchayati Raj. In my report on Administration which was placed before Parliament in August 1962, I attempted to define the relationships between the administrative and technical teams at the district and block levels with the non-official members of the panchayats and the methods by which the responsibilities of the official teams at higher levels to supervise and guide the administrative and technical aspects of the work of the teams at the lower levels can be made effective. I hope this subject will also be studied in the Institute through its regional branches.

Dr. Misra has gone into the earlier history of administrative reforms in his article. Possibly, readers of the Journal will be interested in another aspect of the past—the traditions that were sought to be built up. John Stuart Mill in his Autobiography wrote of the 'considerable value' to him

of the position he held under the East India Company. It will be recalled that he served in what may be called the secretariat of the East India Company for 35 years rising gradually to the highest position in it. He said: "... the occupation accustomed me to see and hear the difficulties of every course, and the means of obviating them, stated and discussed deliberately with a view to execution; it gave me opportunities of perceiving when public measures, and other political facts, did not produce the effects which had been expected of them, and from what causes; above all, it was invaluable to me by making me, in this portion of my activity, merely one wheel in a machine, the whole of which had to work together. ... As a Secretary conducting political correspondence, I could not issue an order or express an opinion, without satisfying various persons very unlike myself, that the thing was fit to be done. I was thus in a good position for finding out by practice the mode of putting a thought which gives it easiest admittance into minds not prepared for it by habit; while I became practically conversant with the difficulties of moving bodies of men, the necessities of compromise, the art of sacrificing the non-essential to preserve the essential. I learnt how to obtain the best I could, when I could not obtain everything; instead of being indignant or dispirited because I could not have entirely my own way, to be pleased and encouraged when I could have the smallest part of it; and when even that could not be, to bear with complete equanimity being overruled altogether. I have found, through life, these acquisitions to be of the greatest possible importance for personal happiness, and they are also a very necessary condition for enabling any one, either as theorist or as practical man, to effect the greatest amount of good compatible with his opportunities." The philosophy and outlook set out in this extract can be helpful to administrators even at the present time.

26-8-1963

V.T. KRISHNAMACHARI

# THE INDIAN JOURNAL OF PUBLIC ADMINISTRATION

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## EDITORIAL NOTE

**H**AS the situation become ripe for the appointment of a Commission to inquire into the country's administrative organization? The question has been asked with increasing frequency in recent months, and we thought a special issue of this Journal, devoted to a review and appraisal of administrative reforms since Independence, might help in providing an answer.

The three decades preceding Independence were marked by almost exclusive preoccupation with political and constitutional problems, and such major administrative changes as occurred during that period flowed from political and constitutional developments. Rapid Indianization of the higher services was probably the most insistent of the public demands in the field of administrative organization, and it became, of political necessity, a matter to which the British Government and the Government of India had to give urgent attention. Or, to take another instance, the decisions to wind up all but two All-India Services were not taken in pursuit of administrative efficiency; essentially, those decisions reflected the shift from a unitary Government to a form of federalism in which, but for the partition of the country, the Central Government would have been relatively weak and rigidly circumscribed, and the States could have become immensely powerful. (It is of interest that the recent decision to revive certain All-India Services should also have been taken primarily under a political inspiration. What had been found unacceptable when put forward as an administrative necessity was readily accepted as a means of promoting national integration.) Administrative problems were, no doubt, examined by individuals and committees from time to time, particularly towards the end of the Second World War. But there was no comprehensive inquiry into the whole system.

The major administrative problems of the period immediately following Independence were also products of constitutional change. Some of the problems arose from the division of the public services between India and Pakistan, and some from the merger of what used to be called Indian States with 'British India'. The assimilation of the public services of the Indian States was a complex and prolonged operation. The gaps left in the All-India Services as a result of the departure of the British members, and in many other services as a result of the stoppage of direct recruitment during the War presented another problem to which some solution had to be found urgently.

These were obviously not propitious circumstances for an inquiry into the administrative system.

Soon after, however, thought began to be given to individual administrative problems and to particular parts of the administrative machinery. The articles in this issue give an idea, though perhaps an incomplete one, of the range and variety of the problems that have been examined and the reforms and innovations that have been made during the last 12 years or so. In its totality, it is an impressive record; but it does not make a coherent picture. With a series of isolated inquiries, undertaken at different points of time, and with diverse objectives, this was inevitable. It is only in the matter of remuneration and conditions of service of Government servants that a coherent system has evolved as a result of comprehensive inquiries made by two successive Central Pay Commissions (the first in 1946 and the second in 1957-59). Similar inquiries were made in most of the States also, and the results of the inquiries were, to a greater or lesser extent, influenced by the recommendations of the Central Pay Commissions.

We have had three General Elections. Our political institutions at the Centre and at the State level have functioned for 16 years, and we have by now a fairly clear idea of the practical implications of the Union-State relationship established by the Constitution. The Panchayati Raj has been established over large parts of the country, and these decentralized democratic institutions have functioned in some States long enough to provide some indication of the administrative problems and stresses that lie ahead. We are half-way through our Third Five Year Plan, and we have acquired some insight into the problems posed by planned economic development within a democratic structure.

With so many urgent administrative problems to attend to, and with not enough experience of the working of political, economic and administrative system, a comprehensive inquiry into the administrative system, from the Centre down to the village level, might have been premature some years ago. But will it be so now? We have had no such inquiry during some fifty years, years, moreover of fundamental political, constitutional and social change. Speaking at a recent meeting of the Informal Consultative Committee of Parliament, the Union Home Minister is reported to have said that he was thinking whether the stage had not been reached when a Commission on Administration should be appointed. An inquiry into the entire administrative system of a country of the size and population of India, and one with a federal constitution, would be a vast and unique undertaking. But given imaginative planning and determination, it is a task that could be accomplished.

—Editor

## EFFORTS FOR ADMINISTRATIVE REFORMS BEFORE INDEPENDENCE

*B. B. Misra*

THE OBJECT of this article is not to present in any detail an account of Indian administration. As its title indicates, it is merely to outline some of the main currents of administrative reforms effected from time to time over a period of merely two hundred years of British rule. This period may be divided into two parts: the first comprising the administration of the East India Company, and the other the administration of India under the Crown from 1858 to 1947.

### REFORMS UNDER THE COMPANY

The character of the political constitution of the State under the Company was determined by principles derived from two distinct sources. As a legate of the Mughal Emperor appointed under the grant of the Diwani in 1765, the Company was the all powerful agent of an irresponsible despot, while as a trading corporation it was bound by the provisions of the Charters and Acts of British Parliament. The principle of the constitution which the Regulating Act provided for the Company's Indian Government in 1773 was derived from the second source. The civil and military government and the revenues of British territories in India were vested in Governor-General and a Council of four members who were guided by the rule of the majority. The Act also provided for the establishment of a Supreme Court of Judicature at Calcutta to punish those who were employed directly or indirectly in the service of the Company. This constitution was revised in 1784 by Pitt's India Act which reduced the number of Councillors to three and created a parliamentary board of six Commissioners called the Board of Control, with powers to direct, supervise and control the Company's Indian Governments. The Amending Act of 1786 authorized the Governor-General even to override the decision of his Council. But this power was not to be used except in extraordinary circumstances involving the safety and tranquility of British possessions. Even so, he was to do it in his executive capacity only, and that too not outside his Council.

The examples of the Mughals and the Marathas did by all means conduce to despotism. During early British rule, the Company's servants actually took pride in being styled as *nawabs*. They introduced



a system of ceremonials which conformed to the concept of oriental dignity. But its parliamentary control and council form of government served to counteract that tendency. It encouraged the division of authority and formation of decision by the majority. Distance from London, it is true, did give them latitude of action. But it also turned them into a government of record, which reduced rashness and haste in the measures of administration.

By the very circumstances of its growth, therefore, the Company's Government turned into what might be called a constitutional despotism. While the establishment of a regular hierarchy of courts and legislative authority had the tendency to strengthen constitutionalism, the combination of executive and judicial functions at certain key levels of administration bred despotism. This peculiar constitution of the Company's Government in India was the result of a phased development. The administrative change it introduced from time to time was similarly phased. It corresponded at each stage to the nature of its constitutional development.

### Period (1765-93)

The first period of nearly thirty years is a story mainly of Warren Hastings and Cornwallis whose administrative reforms were designed to convert a body of the Company's traders into a cadre of civil administrators. It is a story of the manner in which they tried to build up a system of administration adequate to the requirements of a territorial power.

#### *Under Hastings (1772-85)*

The necessity of reforms under Hastings arose from two main circumstances: (1) the disruption of the Mughal administration, and (2) the disinclination of the Company to take over the direct responsibility of administration through the agency of its own European servants. Under the original constitution of the Mughals, the *faujdar* was the executive head of the district administration. He was assisted in the discharge of his duties by village watchmen who were under the immediate charge of a *zamindar*. Being distributed throughout the *zamindari*, they "enabled the zamindar both to watch over the internal quiet, and to obtain information of whatever passed in any part of it; and so far as the faujdari jurisdiction (was) inherent in the zamindar, in the exercise of it he was subject to a faujdar, who had the superintendence of a district comprehending many zamindaris".<sup>1</sup> The Mughal

1. Forrest, G. W., *Selections from Letters, Despatches and other State Papers preserved in the Foreign Department of Government of India, 1772-1785*, Calcutta, Superintendent of Government Printing, 1890, vol. ii, p. 454.

system was in fact land-oriented and those who had the management of land did the ancillary duty of policing, subject to the control of the official apparatus of administration.

On the disintegration of the central authority of the Mughals, the principal and the ancillary organs of administrations began to work at cross purposes. With the spread of anarchy the *zamindars* or farmers of land revenue superseded the authority of the *faujdars* in the districts. The state of political uncertainty that followed the victory of the English at Plassey (1757) made the situation still worse. The ruling influence of the Company's servants crippled the authority of the Mughal *nawabs* (Governors) without supplying any alternative. By 1765 the Company came to be the virtual sovereign of three of the major Provinces of Bengal, Bihar and Orissa, with the Northern Circars ceded to it by the Nizam of Hyderabad. And yet it declined for commercial reasons to take over the district responsibility of administration through the agency of its own European servants. Steps were taken to appoint 'Supervisors' in 1769, but without adequate executive authority. Crimes and corruption naturally became rampant. The Company was interested in the returns of revenue rather than administrative reforms.

The basic principle of Hastings' reforms was to introduce for the first time a political element in the administration of the Company's territories. "Whatever may have been the conduct of individuals or even of the collective members of your former administrations," he convinced the Directors, "the blame (of corruption and indiscipline in the Service) is not so much imputable to them as to the want of a principle of government adequate to its substance, and a coercive power to enforce it."<sup>2</sup> Consistently with this principle, Parliament passed the Regulating Act which brought the subordinate Provinces under a limited control of the Governor-General in Council. Consistently with this principle, again, Hastings reorganized his central secretariat so as to ensure a regular flow of supplies in his wars against the country powers. With the same end in view, he initiated proposals for some kind of training for the Company's covenanted servants. He adopted measures to reduce the power of *zamindars* who on the decline of the Mughal Government had arrogated to themselves such functions as justice and taxation which more properly belonged to the state. With the same object in view, he reconstituted the districts in 1772 and placed them under the Company's European servants called Collectors, with powers to administer civil justice and supervise criminal administration which in his time formed part of the *nawabs*' government. In

2. Keith, A.B., *Speeches and Documents on Indian Policy*, London, Oxford University Press, 1922, pp. 36-37.

1781 he abolished the office of the Mughal *faujdar* and appointed in his place European Magistrate who headed the police administration of a district and in addition superintended the administration of civil courts, for under the orders of the Company the Collectors had been recalled for a time from most of the districts in favour of Indian *naibs* in 1773. In the administrative structure he so built up in Bengal, the Collector was the chief executive officer who also exercised certain judicial powers in the determination of revenue or rent suits. He thus laid the foundation of modern district administration on a pattern which other Provinces adopted with such minor changes as local conditions required.

Hastings was however discredited for two reasons. First, the employment of European agency in the management of land revenue increased the cost of collection to the great prejudice of the Company's commercial interest. Secondly, Hastings incurred the displeasure of the *zamindars* whose lands he had settled with speculators in a bid to raise the figures of collection. The *zamindars* were not slow to move the Home Authorities and have a clause inserted in Pitt's India Act requiring the Government to ascertain through inquiry the nature and extent of their right to landed property.

#### *Under Cornwallis (1786-93)*

These circumstances and political considerations were in the main responsible for Cornwallis's reforms. The core of these reforms was his Permanent Settlement (1793), his recognition of the *zamindari* as the private property of *zamindars*. From that followed the separation of revenue and judicial functions which by 1786 had come to be united in the office of Collector. He became a revenue officer pure and simple. The civil judge who also acted as Magistrate became the chief executive officer of the district.

Cornwallis believed that the landed proprietors could never consider the privileges which had been conferred upon them as secure, whilst the revenue officers were vested with judicial powers. His government, therefore, decided that the supreme power should divest itself of all interference with judicial administration except in the last resort and that the trust of dispensing justice in the first instance should be delegated to courts superintended by able, honest and upright men with duties restricted exclusively to the administration of justice in all cases arising either from arrears and exactions of rent or other suits of purely civil nature. All Indians, whether individuals or officers of government, were made subject to their jurisdiction. Even government itself, when a party with its subjects in matters of property, was to be bound by the decree of these courts of justice.

Another remarkable change that Cornwallis effected was in the administration of criminal justice and police, which in law had formed no part of the *diwani*. He subjected the Muhammadan criminal law to a process of civil legislation, dispensed with the Muhammadan Judges of Criminal Courts, organized Provincial Courts of Circuit, and appointed to these European Judges who tried criminal and civil cases subject to the final determination of the Governor-General in Council acting as *Sadr Diwani* and *Nizamat Adalat*.

Cornwallis's police reforms possessed three main features. In the first place, the landholders and farmers of land revenue who kept up establishments of *thanadars* and *chaukidars* were divested of their entire police function and were accordingly required to discharge them, with instructions not to entertain any such establishment in future. Secondly, the districts were divided into thanas or police jurisdiction of about twenty to thirty miles square in extent. To each of these was appointed an Indian Officer called *daroga* of police with a small establishment of a clerk, a *jamadar* and ten *barkandazes*, immediately responsible to the Magistrate of his district. Thirdly, such of the old rural police of *chaukidars* or ancient militia as still operated, were placed under the orders of the *daroga*, but their payment and control remained vested in the zamindars.

The police *daroga* of Cornwallis thus stepped into the position previously held by *zamindari thanadars*. Unlike the *zamindari thanadar*, the *daroga* became a direct instrument of Government operating under the immediate control of the English Magistrate. What was entirely new, however, was the abolition of the local responsibility of the *zamindars* who had to disband their *thanadars* and such of the old police militia as were not duly registered with the *daroga*. Cornwallis was the first to reduce the ancient institution of communal police to the subservience of the ruler-appointed police *daroga*.

Cornwallis's reforms thus carried forward to some perfection the political principle which Hastings had first introduced in order to make the state into an effective instrument of coercion. His steps to reorganize the central secretariat, to establish a separate judicial department, to appoint a secretary-general, and to Europeanize the public services as a whole were all designed to serve the same purpose. Out of the original commercial constitution of the Company which had in the past already provided for graded appointments and written 'covenants', Hastings and Cornwallis in fact created an administrative service. Its public character flowed in the main from the increasing administrative responsibilities that devolved on it since 1772. Under Cornwallis they came to occupy all the positions of trust in the administration. Their salaries increased in proportion to the responsibilities

of their office. And to these was added a series of strict rules of public conduct, specifying punishment for indulgence in private trade or acquisition of landed property.

### Period (1793-1833)

The second phase, a period of nearly forty years from 1793, was marked by a rapid expansion of the Company's territories and the establishment of British paramountcy over the whole of the country, excepting the Punjab, the North-West Frontier and Burma. Doubtless, there were independent Indian states outside the limits of British dominions. But their independence was only in name. They were in subsidiary alliance with the Company's Government and British Residents controlled their affairs to all intents and purposes.

#### *Under Wellesley (1796-1806)*

The political norm, the beginning of an imperial policy, was set by Wellesley who attempted completely to do away with the commercial element in public administration. He reconstituted the civil service on a principle conformable to the trust of governing an extensive and populous empire.

The expediency of a new orientation of the civil service was realized in view of two main circumstances : (1) the expansion of territories and internal insecurity, especially arising from a hostile muslim public opinion over the disintegration of Mysore and the death of its ruler Tipu, in 1799, and (2) the threat of French invasion towards the close of the eighteenth century, especially the ideological threat of the French Revolution that agitated the Continent of Europe and influenced the minds of some individuals in the civil and military service of the Company even in India.<sup>3</sup> To counteract both, Wellesley declared imperialism, not commerce, as the aim of British rule and devised a plan for the regular flow of abilities and talents in the civil service as the best means to perpetuate that rule. Clarifying his concept of imperialism he thus wrote : "Duty, policy and honour require that it (the Indian Empire) should not be administered as a temporary and precarious acquisition, it must be considered as a sacred trust and a permanent possession". And to govern such an empire on a permanent basis, he added, "we shall require a succession of able magistrates, wise and honest judges, and skilful statesmen properly qualified to conduct the ordinary movements of the great machine of Government."<sup>4</sup>

3. See Wellesley's Minute, dated 10th July, 1800, in Martin, Montgomery, *Despatches, Minutes and Correspondence of the Marquess of Wellesley, K.G.*, during his administration in India, London, W.H. Allen, 1937, Vol. ii, p. 346.

4. *Ibid*, p. 339.

To ensure a regular supply of such men, therefore, Wellesley proposed the establishment of a systematic course of higher education and training; for he was not satisfied with the accidental supply of virtue and talents. "In the Civil Service", he believed, "we must seek not the instruments by which kingdoms are overthrown, revolutions are accomplished, or wars conducted, but an inexhaustible supply of useful knowledge, cultivated talents, and well-ordered and disciplined morals."<sup>5</sup> These attainments, according to Wellesley, were the necessary instruments of a well regulated government designed to secure "affluence and happiness, willing obedience and grateful attachment over every region and district of this vast empire."<sup>6</sup> With this object the Governor-General in Council established under Regulation IX of 1800 the College of Fort William of Calcutta where every student nominated to the Service was to undergo a probationary period of training for three years. This period of probation was to be devoted to the completion of the prescribed course of studies without any student being required to perform any public duties.

To counteract the ideological dangers of the French Revolution, Wellesley provided for religious instructions and made rules to ascertain, besides ability, the religious and moral character of every servant before he could be declared eligible or considered fit for selection to higher and important offices. He in fact recommended to the Directors that students should be sent out to India at 15 or 16 years of age, so that they might be tractable instruments and that their morals and habits might be formed with ease in the course of their education and training at Calcutta. Another object of religious bias in Wellesley's training programme was to discourage the spirit of 'luxury and dissipation' which according to him had the tendency "to enervate the mind and impair its nobler qualities, to introduce a hurtful emulation in expense, to set up false standards of merit, to confound the different orders of society, and to beget an aversion to serious occupations."<sup>7</sup>

In the establishment of the College of Fort William, Wellesley was also guided by his policy to impart to the Civil Service an all-India character by requiring all civil servants to receive their training at Fort William where the posting of each successful candidate was to be determined by the Governor-General in Council according to his inclination and the requirement of the Government.

After a period of five years of its working, the Company, however, reduced the College to a mere school of oriental languages. The operation of the scheme *in toto* would have affected the exercise of their

5. Ibid, p. 340.

6. Ibid, p. 340.

7. Despatches to Bengal, 25 May, 1798, para 77, p. 412.

patronage and implied a consequent transfer of loyalty from London to Calcutta. In a despatch of 1805, they clearly pointed out that the precipitate establishment of the College had too much the appearance of an intention to supersede the Company's previous deliberation, to restrict its power to mere nomination of candidates, and to authorize the Governor-General in Council to appoint them to the different Presidencies, subject only to the successful completion of their studies at the College. But the principle of Wellesley's plan did not perish. The Directors themselves established a comparable institution at Hertford which was later transferred to Haileybury in 1809. Wellesley's rule to admit students at the age of fifteen, his emphasis on religious bias, the probationary period of three years of training, and the system of examination were all adopted in the form in which he had introduced at the College of Fort William. On the successful completion of his course, a candidate received his appointment from the Court of Directors, subject of course to the production of proper testimonials as to proficiency and moral conduct from his Principal. His rank in the service was determined by his position at the final examination of the College.

Intellectual as well as moral discipline was thus recognized as a fit answer to the problems of imperial policy, the problems that arose from internal insecurity and external danger. Added to this was a considerable augmentation in the salary, status and responsibility of such of the superior civil servants as occupied the office of Secretaries to Government. Instead of being confined to the execution of routine business their function extended to planning and research.

Their work was coordinated by Chief Secretary to Government who received an annual salary of Rs. 55,000, a sum of Rs. 5,000 more than the salary payable to a Secretary. Another feature of Wellesley's reforms was that he augmented the staff of his Assistants to which he recruited promising young men who later rose to positions of eminence in the Civil Service.

#### *Under Moira and After (1813-33)*

The factors which in the course of this period determined the nature and extent of reforms at the district level were chiefly three : (1) the defects of the Cornwallis Code,<sup>8</sup> (2) considerations of economy and efficiency, and (3) the "Utilitarian" influence.

By far the most serious defect of the Code that came to light in the course of its working was the union of the Magistracy with the office

8. The whole body of the Regulations passed by Cornwallis on 1 May, 1793 for governance of Bengal, Bihar and Orissa are called Cornwallis Code.

of the Judge. To burden the latter with the determination of both revenue and purely civil suits was a serious error, especially in the permanently settled districts where resort to judicial action was the only alternative to have the respective rights of the agricultural classes duly ascertained. The consequent delay in the disposal of civil suits encouraged rioting and added to the weight of business on the criminal side. Experience, therefore, dictated the expediency of reinvesting the revenue officers with the determination of rent suits subject to an appeal to civil court. As for the control of crimes, the best remedy suggested was to have a separate Magistrate for each district. But motives of economy did not permit the proposed separation. Under Bentinck, therefore, the Magistracy came to be re-united with the office of the Collector. This remedy suggested itself in the course of the survey and settlement operations in the North-Western Province where the Government realized the difficulties of carrying on these operations without investing revenue officers with certain degree of judicial and executive authority.

Another serious weakness of the Cornwallis system was its exclusive dependence on European personnel. The malady became pronounced when litigation increased. To obviate the difficulty, therefore, Indian personnel came to be increasingly employed right from 1803. The *munisiff* who received a certain commission on the number of suits tried came to be recognized as a stipendiary officer. A new post of *Sadr Amin* was created. It continued until it was abolished in 1868. The Principal *Sadr Amin* was authorized in 1836 to try civil suits of any value independently of the European district judge. In 1833, Bentinck established a new cadre of uncovenanted revenue officers called Deputy Collectors who assisted the Collector in the discharge of his revenue duties.

The increasing Indianization of subordinate services was to an extent a result of "Utilitarian"<sup>9</sup> influence which followed the abolition of the Company's trade monopoly in 1813. As the Collector also became Magistrate, so did the Divisional Commissioner of Revenue created under Reg. I of 1829 combine in his office the duties and powers of Circuit Courts and Superintendents of Police. In 1831, the District and Sessions Judge took over the functions of these courts. But as Commissioners of Revenue they continued to act as Superintendents of Police until 1837 when provision was made for separate Police Superintendents. For rural areas "Utilitarianism" meant further

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9. Essentially, however, great Utilitarians like Jeremy Bentham and James Mill favoured the growth of the executive power of the state by means of combining functions under a codified system of law. In other words, Utilitarianism signified centralization of authority through parliamentary legislation. In its application to India it meant a union of functions at both superior and subordinate levels.



annexation to the state of such functions as previously belonged to the *panchayat* (village communities) or *zamindar*.

The growth of the state power expressed itself in two other ways. In the first place, the superior levels of administration tended more and more to become a controlling agency, while the execution of details came to be vested locally in the districts. Secondly, the "Utilitarian" influence led to the liberalization of the Muhammadan criminal law which enabled criminal courts to pass sentence of conviction in spite of the *fatwa* or decree of the Muhammadan law officers to the contrary. Regulations were also enacted to introduce a system of trial by jury, to reduce the severity and iniquity of punishment, and to bring a number of iniquitous social customs within the cognizance of criminal courts.

Thus, the underlying principle of reforms during this period was that the state was slowly but steadily expanding the area of its operation. This it did not so much by a declared extension of its functions as by a gradual impingement of its law on custom. The natural consequence of such a policy was to increase the load of public business and consequently the powers and influence of District Officers. The appointment of Divisional Commissioners was naturally a device to regulate the exercise of increasing responsibilities that devolved on the districts.

### Period (1833-57)

Under the Charter Act of 1833, the Company surrendered all its real and personal property in India and held it now in trust for the Crown with effect from 22 April, 1834. It also surrendered its commercial privileges, and concerned itself chiefly with the realization of the value of its assets which became a charge on the Indian revenues. Consistently with the Company's financial agreement with the Crown, the superintendence, direction and control of the entire civil and military Government were vested in the Governor-General of India in Council, separate and distinct from the old Presidency of Fort William, and a new Presidency of Agra was created in 1836 out of the old Presidency. Since the new Government of India emerged from the old Bengal Government with its capital not removed from Calcutta, the Governor-General continued to act as the Governor of Bengal until the Charter Act of 1853 provided for a separate Lieutenant-Governor appointed in 1854.

The main feature of the administrative reforms of this period was further centralization. As in the preceeding period, here too, it was supported by considerations of economy and efficiency, as well as

political exigencies and "Utilitarian" influences. The old pattern of Governor in Council, for instance, remained limited to Madras and Bombay. Two of the new Provinces, namely the North-Western Provinces and Bengal came to be administered each by a Lieutenant-Governor, a civil servant, who was appointed by the Governor-General in Council. His rule was personal : he had no Executive Council.

Upon a lower footing than the Lieutenant-Governor stood the office of Chief Commissioner created for the first time in 1853 for the administration of the Punjab annexed in 1849. John Lawrence was the first to be appointed to this office. The title Chief Commissioner arose apparently from the fact that in the Punjab there were at the time Judicial and Revenue Commissioners whose functions were analogous to those of the *Sadr* Court and the Board of Revenue in Bengal. It was therefore necessary to provide the head of the Province with a higher title 'Chief Commissioner'. The Punjab example was soon followed in Oudh in 1856, and the pattern so approved was later adopted elsewhere. Theoretically, such parts of British territory in India as did not occur within the Presidency of a Governor in Council or the Province of a Lieutenant-Governor, were to be under the immediate authority and management of the Governor-General in Council himself. A Chief Commissioner, therefore, acted on his behalf, exercising only such powers as the Governor-General in Council deemed fit to confer on him. He was appointed without any reference to Act of Parliament.

The control of the Governor-General in Council over the Provinces other than Madras and Bombay thus became fully entrenched. Even the Presidency of Madras and Bombay lost for the time their powers of separate legislation and fresh expenditure in regard to establishments.

A much greater degree of centralization was introduced in the administration of the districts annexed to British Rule under Dalhousie (1848-56). All his acquisitions were non-regulation provinces administered on a principle under which revenue, police, magisterial and judicial functions were united together in the hands of the Deputy Commissioner (corresponding to the Collectors of the Regulation Provinces). The same pattern applied to their Assistants below and to Commissioners above them.

Dalhousie also introduced a system of Annual Report the object of which was further to tighten control from top to bottom. He called upon the Provinces to furnish a regular annual account of the progress made in the various departments. This not only constituted a standard record of administration, but afforded a ready means to the

ent of India to exercise control in the matters of policy over  
ments subordinate to them. At the same time it assisted the  
Government of India in advising, and, if necessary, intervening in re-  
gard to the conduct of Provincial administration, and in the last resort,  
helped the Home Government to do the same where it deemed neces-  
sary. The system, in fact, became an additional instrument of cen-  
tralization.

A second feature of the administrative reforms of this period was  
the growth of a legislative authority. The Charter Act of 1833 provided  
for the appointment of an Additional Member to the Executive Council  
for making laws and regulations. Macaulay was the first to be appoin-  
ted to this office. The framers of the Act did never realize that  
by introducing an Additional Member to the Executive Council they  
were laying the foundation of a separate legislature, a potential counter-  
poise to executive dominance. But when under the Charter Act of  
1853 Dalhousie raised the number of Additional Members to six, and  
established rules of legislative business to guide its proceedings, the  
result was the emergence of what might be called a miniature parlia-  
ment, an object of serious concern to the Home authorities. The  
Indian Councils Act, 1861, was designed to reduce its independence,  
although what Dalhousie had done in keeping with Macaulay's tradi-  
tion could not completely be undone. The legislative foundation had  
been laid.

Another check on the Executive was the work of the Law Com-  
mission appointed under the Act of 1833, with Macaulay as its first  
chairman. Its object was to build on a general and uniform principle  
a body of civil and penal codes as well as codes of procedure so that the  
administration of justice could be freed completely from religious bias  
or racial discrimination and that both Indians and Europeans could  
be subject to the same judicial control.<sup>10</sup>

Both legislative and judicial reforms were in fact designed to meet  
the requirements of Europeans who came out to India in large numbers  
on the abolition of the Company's trade in 1833. Since they would  
not submit to the executive-made regulations based on the primitive  
character of the Muhammadan criminal law, steps were taken to modify  
the constitution of courts and legislative authority in a manner consis-  
tent in some degree with the rule of law and freedom of the judiciary.  
The policy decision of 1835 to promote English education and to en-  
courage the liberty of the Press had the tendency similarly to mitigate  
the despotism of the executive government.

Indeed the whole problem of British policy at this period was how

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10. See Halifax Papers, India Office Manuscript, European, (I. O. Mss. Eur.)  
F. 78 (93) Para 6.

best to provide a good government to a people to whom they would not give a free government. And in trying to provide their image of a good government they did two things : they created a strong and highly centralized Executive on one hand and provided certain checks and balances on the other. The latter consisted of two parts, the first comprising judicial and legislative checks, the second educational and consequently social. Thus, they set in motion two mutually conflicting currents, and it required the genius of a highly sophisticated and constantly flowing class of political engineers to keep the two forces evenly balanced, for they always tended to fall apart and disturb the working of the administrative machinery which at lower levels represented the arrangement at the top.

#### REFORMS UNDER THE CROWN

Period (1858-1907) ✓

Indian administration under the Crown began with the passing of the Government of India Act, 1858. It abolished the Court of Directors and the Board of Control; created in their place a Secretary of State for India, who was to be a Minister of the rank of Cabinet; and simultaneously established a Council of 15 members. Except in financial matters where no appropriation of any part of the Indian revenue could be made without a concurrence of the majority of its members, the decision of the Secretary of State was to be final in all other matters. Instead of the Court and the Board, this Act practically provided for one man's rule in London. No major change was made in the Government of India except that the Secretary of State in Council was to appoint with the concurrence of the majority of members present the several Executive Councillors of the Governor-General and the Governors of Madras and Bombay. The appointment of the several Lieutenant-Governors and the Chief Commissioners was to proceed immediately from the Governor-General without his Council. As the representative of the Crown he came to be designated as the Viceroy of India.

For the despatch of business, Canning introduced a portfolio system in the reorganization of the Governor-General's Council under which its individual members were placed in charge of particular departments with powers to take decisions independently of the Council in such matters as did not concern other departments.<sup>11</sup> Under this arrangement, the Members of the Governor-General's Council became virtual Ministers, while the position of the Secretaries to Government

11. Indian Councils Act, Section 8. The various departments of the Governments were reconstituted and their functions defined under this section.

became analogous to that of a permanent Under Secretary of State in England. The private papers of the various Secretaries of State and the Viceroys, however, contain enough of evidence to show that the statutory rights of the Departmental Members were at times rendered nugatory, and policy decisions were taken by the heads of the Indian and London Governments without a prior discussion with the Members concerned. Curzon (1898-1905) in fact clearly pointed out that "India (was) really governed by confidential correspondence between the Secretary of State and the Viceroy."<sup>12</sup> Despotism thus became more pronounced under the Crown.

The centralized authority of the executive government expressed itself locally through the agency of the District Officers. In a Minute recorded in 1870 James Stephen described them as 'Government' itself 'within their own limits and as regards the population of their districts.' And this position he justified as 'absolutely essential to the maintenance of British rule in India.'<sup>13</sup>

On the legislative side, the Indian Councils Act, 1861, fixed the number of Additional Members between 6 and 12, not less than one-half being non-official. They were to be nominated by the Governor-General for two years. The power of legislation was restored to Madras and Bombay with a provision for the appointment of Legislative Members corresponding to those at the Centre. The Governor-General was authorized to establish, by proclamation, a Legislative Council for Bengal as well as for the North-Western Provinces and the Punjab. He used this authority in the establishment of the Legislative Council for Bengal in 1862, for the North-Western Provinces in 1886, and for the Punjab in 1897.

The functions of the Supreme Legislative Council, which under Dalhousie had extended to a deliberation of almost all matters of public interest, came to be limited to mere legislation, and this too was hedged in by a number of restrictions. But, within the limits and under the conditions imposed, the Council did possess plenary power to legislate for all persons, courts, places and things, within British India. It met in 'sessions' and conducted its business in a manner which distinguished it from the regular Executive Council of the Governor-General.

The Indian Councils Act, 1892, expanded the size of the Legislative Councils and relaxed the restrictions imposed in 1861. The non-official Members of the Supreme Legislative Council, for instance, were to be not less than 10 in number of whom 5 were to be elected respectively by the Calcutta Chamber of Commerce and the non-official Members of the Legislative Councils of Madras, Bombay, Bengal and

12. Hamilton Papers, I. O. Mss, Eur. D. 510/8, p. 147.

13. I. O. Records Dept. No. 10001 (89), p. 29.

North-Western Provinces. The Provincial Legislative Councils obtained Members, elected in rotation by groups of Municipalities and District Boards, Universities, Chamber of Commerce and Trades Associations. The Act authorized the discussion of the annual financial statements and the asking of questions under certain prescribed conditions. The extension of the Legislative Councils and the enlargement of their powers were in response to the demands of educated Indians and the Indian Press.

Thus, in spite of the attempt of 1861 to curb the Legislative Councils, they continued to grow as potential instrument of executive control. As for the judiciary and the police, the reforms effected in these branches of Indian administration were a consummation of the trends that had been developing since the establishment of the Law Commission in 1835. By the Indian High Courts Act of 1861, the Queen was empowered to establish by letters patent High Courts of judicature in Calcutta, Madras and Bombay, and on their establishment the old chartered Supreme Courts and the old *Sadr Adalat* Courts were to be abolished, the jurisdiction and the powers of the abolished Courts being transferred to the new High Courts. The Act permitted the establishment of another High Court and the permission so given was exercised in the establishment of a High Court for the North-Western Provinces at Allahabad in 1866. The High Courts thus constituted, while entirely independent of the Executive Government in judicial matters, were made subject to its control in matters connected with their establishments. Next below the High Courts came the District and Sessions Courts exercising both civil and criminal jurisdiction. Then came the exclusively civil courts of Sub-Judges and Munsiffs on the one hand, and on the other, the criminal courts of Magistrates, divided into three classes, and empowered to pass sentence to a maximum limit of two years. Provision was also made for the appointment of Honorary Magistrates.

The Chief Court for the Punjab was constituted in 1866 on the same model as the High Courts, but deriving its authority from the Indian Legislature, and composed of a Chief Judge and Judges appointed by the Governor-General in Council. In each of the other non-Regulation Provinces, such as Oudh, the Central Provinces, Sind, the North-West Frontier Province, Baluchistan and Coorg, the place of a Chief Court was taken by one or more Judicial Commissioners appointed by the Government of India. In a non-Regulation Province, the Local Government was authorized to invest any Magistrate of the first class with powers to try any offence not punishable with death and to pass sentences of imprisonment or transportation up to seven years.

The establishment of a regular hierarchy of courts throughout India was preceded by the formation of the Code of Civil Procedure (Act VIII of 1859), of the Indian Penal Code (Act XLV of 1860), and of the Code of Criminal Procedure (Act XXV of 1861). The Constitution of Courts and the codification of laws formed a remarkable achievement of British rule. These gave the machinery of judicial administration a general uniform principle.

The police administration of the Company suffered from four main defects. In the first place, the revenue officers of the Company exercised a general and ill-defined control over the police. Secondly, the police force was of a semi-military type with no civil constabulary forming part of the organization. Thirdly, police and judicial duties were united in the office of the Magistrate, and lastly, there was no provision for co-ordination and training. The first definite attempt at police organization on a self-contained basis was made by Charles Napier in Sind after its conquest in 1843. His system, which deprived the police of judicial functions and involved a regular course of disciplinary training, was extended in 1853 to the rest of the Presidency of Bombay. The Government of India later appointed a Police Commission in 1860, and on the basis of its recommendations the Police Act V of 1861 was passed into law.

This Act, with some amendments, still governs police administration throughout the great part of India.<sup>14</sup> Each Province became responsible for its own police administration, with an Inspector-General at its head who was at times an I.C.S. man and sometimes an officer of the Police Department. The discipline and internal management of the district police force, a body of civil constabulary, came under a separate officer called District Superintendent, departmentally subordinate to the Inspector-General of Police but immediately responsible to the District Magistrate in all matters connected with the preservation of peace and the detection and suppression of crime. The controlling staff down to Assistant District Superintendent, mainly European, were for long nominated in India by the Provincial Governments. But since 1893 they began generally to be recruited by examination in England. Since 1905, however, a new grade of officers called Deputy Superintendents was created and Indians were recruited to it with duties similar to those of Assistant Superintendent.

In 1902, Curzon's government appointed a Commission to enquire into the working of police administration. The action taken on its report conduced to improvement in regard to recruitment, training,

14. The corresponding Act for Madras was passed in 1859 and for Bombay in 1890.

organization and remuneration of police officers. To secure co-ordination in respect of inter-Provincial police work an Imperial Branch of Criminal Intelligence was created under the Home Department of the Government of India. Its function was to collect and communicate information regarding such forms of organized crimes, as were committed by criminal tribes, wandering gangs, organized decoits, professional prisoners and foreigners whose operations extended beyond the limits of a single Province. This central agency was intended to work in cooperation with British Provinces and Indian States. The Director of Criminal Intelligence took the place of the Superintendent of Thugi and Dacoity who was a lineal successor of an officer first appointed in 1830 for a systematic operation against a class of professional assassins called thugs who strangled their victims in various ways.

Indian administration under the Crown, especially during the earlier part of this period, was thus more or less a continuation of the development that had been taking place towards the close of the Company's rule. Except in Madras and Bombay where provisions continued for a council form of Government with a Governor who was not to be a civilian, the rest of the country remained under the personal rule of either Chief Commissioners or Lieutenant-Governors who were recruited from amongst the members of the Indian Civil Service. The subservience of the Lieutenant-Governors to Governor-General and of the latter to the Secretary of State conduced to marked increase in the degree of despotism. But the regular hierarchy of courts and their freedom from the Executive, the criticism of the Press and the extensive use of the right of interpellation in the Legislative Councils, kept them within the bounds of law.

The expediency of a strong centralized Executive was dictated by considerations of social and economic policies. For instance, the land policy of the Government directed towards the formation of the record of rights to protect the poorer classes against landlords; its famine policy directed towards securing relief to the distressed section of society; its legislative enactments directed towards checking the rapacious conduct of moneylenders; and its factory legislation directed towards the protection of workers—all necessitated the intervention of the executive power as the only means to enforce justice. But the progress of education and the middle classes emerging from it tended to prevent the Government from getting in direct touch with the mass of the people. Educated Indians in fact pulled in the opposite direction and obliged it to concentrate on their own interest by an extension of the opportunities for educated employment and increased share in the administration of the country. So while on one hand the Government took steps to



reconstruct the public services so as to absorb more and more of Indian elements, it introduced on the other such measures of financial and administrative decentralization as might enable them to have a share in the management of local bodies. The political approach to the problems of administrative decentralization was of course specially advocated<sup>15</sup> by Ripon who in the words of B. M. Malabari, one of the founders of the Indian National Congress, 'left the Indian a nation.'<sup>16</sup> Ripon's policy resulted in the enactment of the Local Bodies Act in 1885 and paved the ground for administrative decentralization down to the village level.

Curzon's approach was on the contrary economic, based on a policy of utter disregard for all kinds of intermediaries including the educated classes. He adopted measures to promote industry and commerce, agriculture and cooperatives. The Punjab Land Alienation Act (1900) and his firm no to the Indian National Congress demand to extend the Permanent Settlement to other parts of the country were all designed to enlist the support of agriculturists. Though economically sound, his policy was however politically inexpedient. His administration was on the whole a failure.

### The Last Phase (1907-47)

Structurally, the machinery of general administration remained for all practical purposes unchanged during this period except where functional expansion necessitated the creation of a new province, district or sub-division, or the establishment of a new department or the reorganization of an existing one. The structure evolved during the Company's rule and perfected during 1859-62 came to stay. It was neither wholly Indian nor wholly British. It was partly both. It essentially provided for a strong executive government essentially

15. 'As I told you last year we are entering, or rather we have entered, upon a period of change in India; the spread of education, the substitution of legal for discretionary administration, the progress of railways, telegraphs, etc. are now beginning to produce a marked effect upon the people; new ideas are springing up; new aspirations are being called out; and a process has begun which will go on with increasing rapidity from year to year. Such a condition of affairs is one in which the task of Government is beset with difficulties of no light kind; to move too fast is dangerous, but to lag behind is more dangerous still. It is considerations such as these which lead me...to provide a legitimate outlet for the ambitions and aspirations which we have ourselves created by the education, civilization and material progress which we have been the means of introducing into the country: such measures (elected local bodies) will not only have an immediate effect in: promoting gradually and safely the political education of the people, which I hold to be a great object of public policy, but will also have the way for further advances in the same direction.. You will observe then the question involved in the policy which I have been pressing upon this subject of local self-government is a broad question of political principle.' (Northbrook Papers, I. O. Mss. Eur. C. 142 (2) p. 166 C-D)

16. Malabari to Ilbert, 4/5 May, 1885, I. O. Mss. Eur. D. 594 (18) f. 4 b (Ilbert Papers).

provided for a strong executive government within the framework of law. The forces that tended to weaken the Executive in the course of the last phase were in the main social and economic. They emerged respectively from educational progress on one hand and economic distress on the other. A union of the two caused political unrest which meant a serious strain on the executive government.

Educationally, the number of scholars studying English rose in about twenty years prior to 1905 from 2,98,000 to 5,05,000 while the number of students passing the annual matriculation examination of Indian Universities had increased from 4,286 in 1886 to 8,211 in 1905.<sup>17</sup> In subsequent decades the progress was still more rapid, the total number of graduates and undergraduates rising from 13,551 in 1911 to 1,38,093 in 1939.<sup>18</sup> This rising class of educated Indians became the spearhead of the Indian middle class, developing a common interest and outlook, a common language and behaviour.

The middle class constituted the social background of modern Indian nationalism. It consisted of lawyers and government servants, students and teachers, doctors and journalists. Its leadership presented itself as an alternative to the bureaucratic control of the Government. Many of the schools and colleges, especially in Bengal, had by the turn of the century already become centres of seditious activity. The Partition of Bengal added fuel to the fire and created an explosive situation, which broke into a widespread revolutionary upsurge in the country. Most of the 'revolutionaries' later went into the making of radical groups in the Congress including the Communists.

Economically, the prospects of the Bengali Hindu middle class who depended on a regular flow of rent from land steadily narrowed on account of rising prices and increasing pressure on land. Their prospects of employment in public offices also shrank when similar classes in other Provinces acquired a knowledge of English and became their equals. In the Punjab, on the other hand, the tenancy legislation which Government enacted on the turn of the century hit the absentee moneylenders and the professional classes who were mainly Hindus. They were deprived of their opportunity to alienate the lands of the agriculturists, who as in Bengal, were for the most part Muslims. In both the Provinces, therefore, the middle class economic discontent expressed itself either in the form of anti-Government agitation or Hindu-Muslim riots.

The rise of an independent force of Indian capitalism in the course of the First Great War (1914-18) introduced a new element in the

17. Minto to Morley, 21 March, 1907, I. O. Mss. Eur. D. 573, para 2.

18. Misra, B. B. *The Indian Middle Classes; Their Growth in Modern Times*, London, Oxford University Press, p. 304.

situation. It created a considerable class of industrial workers who received inspiration from the Russian Revolution of 1917. New political parties sprang up to represent the interest of workers and peasants as a spearhead of the nationalist struggle against the imperial Government. Communism appeared on the Indian scene as part of an international force aiming at the overthrow of the existing social and economic order. All these forces constituted a serious threat to the machinery of law and order to the dominance of the Executive Government. The Civil Service was called upon to handle the problems of a magnitude of which it had no experience in the past except perhaps during the Indian Mutiny.

The Government approached these problems both politically and administratively. Politically speaking it sought alliance with the landed aristocracy, the intellectual 'Moderates', the Muslims, and such other minorities as found their interest corresponding to that of the Empire. In fulfilment of this policy, it introduced the Morley-Minto Reforms in 1909; recognized in principle the goal of a responsible government for India in 1917; established partial responsibility in the Provinces in 1921, and full provincial autonomy in 1937.

But administratively the first few decades of the present century witnessed a series of repressive measures enacted from 1907 onwards to deal with revolutionary crimes. From a study of the private papers of some of the Viceroys and the Secretaries of State it appears that the bureaucracy as a class had been slow politically to appreciate the problems of Indian Administration, even in earlier days. Northbrook, one of the Viceroys for instance, warned Dufferin about it before the latter took over as Viceroy in 1885 :

'You will soon see... that the Civil Servants, with all their magnificent qualities, have strongly ingrained in their minds, excepting some of the very best of them... that no one but an Englishman can do anything. So that... you will find a good deal of quiet opposition to any efforts you may make to employ largely educated Natives.'<sup>19</sup>

Morley, the Secretary of State for India, even went to the length of saying that the bureaucracy 'in their hearts believe in nothing but the virtue of will and arbitrary powers.'<sup>20</sup> In one of his private letters Morley in fact warned his Viceroy against repressive measures and said : 'Cast-iron bureaucracy won't go on for ever, we may be quite sure of that.' He asked the Viceroy to watch 'coolly and impartially'

19. See Misra, *op. cit.*, p. 374.

20. Morley to Minto, 7 May, 1908, I. O. Mss. Eur. D. 573/3, p. 148.

and to see that whatever changes might come should come 'without being obstructed.'<sup>21</sup>

The trouble with the bureaucracy, as Morley complained, was not that they did not work. They were able men and they did work hard. They were not found wanting as administrators. But their weakness lay in the fact that they were too immersed in detail to find 'leisure to look out of the window and scan the skies and weather and all the business of the elements.'<sup>22</sup> In short, they believed in the Curzonian concept of 'efficiency' regardless of the new times breathing a new spirit. In Morley's own words, they were 'soaked in self-esteem and mutual complements, and armed with a professional contempt and suspicion against the inexperienced outsiders.'<sup>23</sup>

The difficulty of the Government increased additionally from want of real knowledge about the inner state of things in the districts. Surrounded as the Viceregal Lodge was by civilians, the sources of the Viceroy's means of information could not but be narrow and partial. In a private letter to Minto, Morley actually expressed a sense of helplessness and said : 'The Government of India is, and will be, pure bureaucracy, and neither you nor I can help it.'<sup>24</sup>

But the Secretary of State did realize the dangers of identifying the Government with the bureaucracy. In a subsequent note to Minto he clearly pointed out that the 'cardinal need' of British Government in India was 'to strengthen and support the influence of the G.G. (Governor-General) against the standing influence of the I.C.S.—hard, persistent, mechanical and a good many other things besides.'<sup>25</sup>

The problem of reforms was perhaps how best to soften the bureaucracy without weakening the political executive. The gradual introduction of the principle of responsible government was therefore designed to make the bureaucracy subject to legislative control within the framework of 'special responsibilities' exercisable by the Executive Government.

Another important feature of the administrative development of this period was that right from the time of Minto, appointment to certain public offices began to be guided by political considerations rather than those of efficiency. In spite of there being no competent muhammadan Judge available, the Viceroy appointed one to the Calcutta

21. Morley to Minto, 6 June, 1906, I. O. Mss. Eur. D. 573/1 p. 119.

22. Morley to Minto, 29 Nov., 1907, I. O. Mss. Eur. D. 573/2 p. 304. Morley's comment arose from Lajpat Rai's deportation without any evidence or trial, which contributed to revolutionary upsurge in the Punjab.

23. Morley to Minto, 8 January, 1908, I. O. Mss. Eur. D. 573/3, p. 8.

24. Morley to Minto, 14 March, 1907, I. O. Mss. Eur. D. 573/2, p. 52.

25. Morley to Minto, 3 September, 1908, I. O. Mss. Eur. D. 573/3, p. 258.

High Court and another to Lahore, where the muhammadans being in majority wished to have Judges of their own denomination. Minto conceded this demand to placate muslim public opinion. The popular Ministers appointed under the reformed constitution of 1919 extended the operation of the same principle by their attempt to appoint persons of their caste or religion in the Departments over which they presided. The reports which the Local Governments submitted during 1923-24 on the working of dyarchy contain ample evidence in support of this new trend in Indian administration which tended to partake of the character of the American 'spoils' system.

The position of the political executive appointed from amongst the members of an elected legislature, on the other hand, remained generally precarious. In a state of incessant cross-divisions of race, religion and caste the formation of stable combinations at government level was often impeded, and Ministers were obliged to rely largely for support upon the official vote. This weakness of the Ministers had the tendency to be reflected in the executive administration of the districts. But the security of the civil servants and their ultimate responsibility to the Secretary of State preserved their *esprit de corps*. They maintained their independence of judgement and action even in the midst of political conflicts. Passions remained for the most part confined to politics and did not generally filter down to administration. In spite of the serious provocations caused by political agitation, and a series of revolutionary and communist conspiracies to overthrow the Government by violent means, the civil servant maintained the equanimity of his mind, discharged his duties fearlessly and advised the Government in a dispassionate way. The result was that considerable progress was achieved in the fields of science and technology, health and education, municipalities and local bodies, agriculture and irrigation, co-operation and labour legislation. The object of reforms in these fields was to meet the general demands of all classes of the people so as to ensure an ordered and steady progress within the framework of law.

With the establishment of 'provincial autonomy' in 1937 under the Act of 1935, the century old concept of Central Government functioning as the supervisory and controlling authority and the Provincial Governments as its executive agents underwent a radical change. The Central Government relaxed its control over the Provinces though still retaining in the person of the Governor-General the ultimate responsibility for law and order; the popular governments in the Provinces took up the full burden of internal government. The new arrangement of "central", "provincial" and "concurrent" subjects envisaged the functioning of Central and Provincial Governments separately

and quasi-independently in their specific spheres of work. All this tended to weaken the Centre and even endanger the national unity. Its pernicious effects were visible in 1946 when the Central authority found it difficult to prevent communal violence in Bengal.

The existing link between Indian Government and the Indian States was almost snapped with the creation of the new institution of "Crown Representative". A Federal Court of Justice came into existence at Delhi in 1937 to adjudicate on the matters affecting inter-Provincial and Central-Provincial relations. The increasing provincialization of All-India Services other than the I.C.S. and the Indian Police, which was effected during this period in accordance with the Lee Commission recommendations of the earlier decade (1923-25) also acted in the direction of weakening the Central control.

All this, however, proved temporary. New situations arose which made the Centre all-powerful once again. The Provincial constitution was suspended in seven out of the eleven Provinces in 1939, the popular ministries in these Provinces having resigned on account of Congress differences with British Government on the question of India's participation in the Second World War. The Governors of the Provinces took charge of the administration, both legislative and executive, which they continued to discharge to the end of the War with the help of Advisers—a new name given to the old executive councillors. The Governor-General to whom they were directly responsible thus resumed a firm grip over the whole internal administration. This despotic centralization of authority was further strengthened by the operation of the war-time Defence of India Rules, by the reinforced arms of law and order brought into play to deal with the 1942 Movement, and by various other factors.

The impact of political agitation, economic, discontent, advancement of science and technology and, most particularly, the Second World War caused enormous strain on the administrative machinery resulting in wide expansion in its size and field of operation. The membership of the Viceroy's Executive Council rose from 6 to 14 in course of the War. New departments grew up both in the Central and Provincial Secretariats as well as district and sub-divisional offices. New cadres came to be formed to deal with specialized subjects.

As regards the expansion of departments, the Department of Labour which emerged at the end of the War as the largest single unit in the Government of India Secretariat may serve as a suitable example. Another instance may be quoted from the field of public relation. On the outbreak of War it was felt necessary to centralize the entire publicity and information machinery of the Government of India to counteract enemy propaganda and to explain Government policies to the frightened

people. With these objects in view the Department of Information and Broadcasting was created in October, 1941, which now forms the most effective organ of public relation. Education, though a Provincial subject, also got a distinct departmental status in the Central Secretariat in 1945. Nor was the impact of the War felt only in these fields. With the entry of Japan in the War, India became an important base of Allied operations, both in the forms of military strategy and supply of materials. This led to the creation of the Department of Industries and Civil Supplies at the Centre in 1943 with corresponding limbs down to the district offices. The War also lodged the country in a state of acute food shortage, partly owing to the restricted import and transport facilities, and partly owing to the recurrence of natural calamities. The Government had to take up measures to ensure that the overall shortage of foodgrains was shared equally by the various Provinces. To handle this gigantic task, a Department of Food was constituted in 1942 in the Central Secretariat, which was placed next year under a separate Food Member. The same department also took up the procurement and purchase of food for the army. Most of these developments, it is true, were primarily directed to the furtherance of British War efforts, probably against the will of the Indian people. But the net result of the war-time vigorous rule was on the whole good for the country. The special and auxiliary police forces created to reinforce law and order helped in the suppression of growing orgies of crime and communal violence in the post-war period.

No less important than the above was the new attention directed by Government towards planning and national development. The brief-time Congress Ministries of 1937-39 had made the Government conscious of the economic programme of the Congress, of which planning formed an integral part. The necessity of marshalling Indian resources to meet the War needs brought sharply into relief the precarious agricultural and industrial base of the country. Early in 1941, the Government of India constituted a number of Committees to enquire into the ways and means for the proper development of the resources of the country. The Famine Enquiry Commission, set up in 1944 to enquire into the causes of Bengal famine, pointed out that the existing machinery of government though capable of improvement was not thoroughly suited to secure and promote the welfare of the people in the changed circumstances, and that certain amount of planning and development was the need of the hour. The Bengal Administration Enquiry Committee of 1944-45 which followed in its wake confirmed the same belief and presented a clear-cut programme of administrative reform so as to enable the Government to undertake developmental work. Thus, it happened that in 1944 the Government of India created

a separate Department of Planning and Development to deal with matters relating to post-war reconstruction of India. This department was 'the forerunner of the Planning Commission which was set up by the Government of India after attainment of Independence.'<sup>26</sup>

Thus the transition 'from *laissez faire* attitude to a net-work of Government controls and regulations and even positive participation in economic development was made swiftly during the War.'<sup>27</sup> Similarly, the groundwork for the abolition of *zamindari* and other post-Independence land reforms was firmly prepared by the Floud Commission on Bengal Land Revenue of 1940.

#### CONCLUSION

Some of the broad conclusions that emerge from this brief narrative of Indian administrative developments are (1) that the character of the Civil Service did change from time to time to fit in with the objective of the State, (2) that this change was a slow process and did not keep with social and political development, (3) that the core of its training was its emphasis on intellectual and moral culture, and (4) that the independence of its judgement and action flowed not only from its security but also from a superior quality of education. On the turn of the century when attempts began to be made to subject the service to the exigencies of pressure groups in politics, the quality of its character had the risk of being impaired unless the relations between the service and the leadership were to be regulated by recognized principles of public conduct, a spirit of understanding and mutual trust in the interest of public business. Its direct responsibility to London held the balance in its own favour. But the transfer of power in 1947 turned it in favour of the leadership. The immediate responsibility of the service to popular Ministries therefore called for a readjustment of their attitude to a degree never felt before.

26. *Guide to the Records in the National Archives of India*, 1959, Pt. I, p. 46.

27. *Indian Journal of Public Administration*, Vol. III, 1957, p. 310.



## ADMINISTRATIVE ASSUMPTIONS IN THE FIVE YEAR PLANS

*Tarlok Singh*

**E**ACH FIVE YEAR PLAN has embodied a careful statement on problems of administration in the context of the Plan. In each case the statement set out those aspects of the subject which then seemed to demand special attention. Thus, the First Plan explained the general premises of democracy concerning the role of the political executive and the public services, pointed to directions in which the administrative structure had to be strengthened, and offered preliminary suggestions regarding development administration in the districts. The Second Plan briefly reviewed the more general aspects of administrative reform, but devoted attention principally to problems of administration in relation to planned development at the village, block and district level and to the reconstruction of district administration along democratic lines. In the Third Plan, the accent shifted from administration and administrative machinery to management, operational efficiency and adequacy of planning. Experience in the past two years has tended to strengthen the view that in its structure, methods of functioning and capacity to meet the requirements of rapid development, the administration has not been able to catch up, and the distance may be increasing rather than diminishing.

If an administrative lag of this nature does in fact exist, how is it to be explained? For, what has been done on the positive side to improve administration and bring scientific study to bear upon it is impressive enough. Thus, the Centre and the States now have special units for organization and methods and the work study approach is being increasingly adopted. Institutional training is now much more common than before, not only for the higher grades of the administrative service but also for the middle and lower grades. Problems of administration are subjected to systematic investigation in a manner which was certainly not customary in the past. Cadres have been expanded to meet the new scale of requirements and deficiencies are sought to be removed as they come to light. Reports on performance are also being obtained more extensively, perhaps in excessive profusion, than was formerly the situation. If all these and other steps are being taken, the question arises whether there are any assumptions underlying the approach to administration and administrative reform which need re-thinking or call for a different emphasis from that given to them

in the Five Year Plans. Could it be that the true nature of some of the problems of administration differs from the premises on which various recommendations have been made in the past? Or perhaps, the means for translating these recommendations into concrete form are not proving adequate? Were the administrative tasks to be carried out being correctly assessed for size and range or were they being underestimated?

In attempting to answer these or similar questions, one may first recall certain basic premises on which thinking and analysis of administrative problems has proceeded over the past sixteen years:

- (1) On essential matters, functioning within the common framework of an agreed national plan, the Centre and the States, within their respective spheres, would each try to maintain and improve the standards of efficiency, integrity and service in day-to-day administration;
- (2) According to the practice of parliamentary democracy, the political executive will give special attention to the formulation of principles and policy in each field of activity, leaving it to the public services to administer and implement them impartially and to tender advice always without fear or favour;
- (3) The higher ranks of the public service would help establish the right structure of administration and tradition of service and provide a high degree of administrative leadership in improving the administration;
- (4) The requisite technical and administrative cadres will be built up for the efficient execution of various tasks and the responsible authorities may be left free to discharge their functions with the necessary care and thoroughness;
- (5) Both in planning and in implementation, there will be effective integration between different activities along with enforcement of specific responsibility on the part of each agency; and
- (6) The combination of representative democracy and non-political public services should be carried from the national and State levels to the district and lower levels, so that local resources and leadership could be mobilized to the maximum extent possible in the service of economic and social development.

Although the statement is by no means exhaustive, these would appear to be the major administrative assumptions underlying

discussions of administration in the Five Year Plans and the approach to administration which has been followed since Independence, more specially at the Centre. The question arises, how far these assumptions have stood the test of experience and whether the time has come to consider the directions in which they should be re-formulated.

Planning has led to considerable inter-penetration of interest between the Centre and the States. In matters of policy, it is possible to speak of a broad national approach in most fields, even in those which may fall strictly within the States. However, this common outlook has not been carried sufficiently into the area of administrative machinery and implementation. To an extent deliberations of inter-State conferences have encompassed administrative aspects, but their role has been essentially advisory. In the sphere of community development, for many years, the pattern of organization, being directly supported by a scheme of financial assistance, was prescribed and insisted upon, but gradually an increasing number of variations are being observed. Some aspects of administration in the States come up for review in the course of studies undertaken from time to time by the Programme Evaluation Organization or the Committee on Plan Projects or ad hoc committees, but the focus here is on the general lessons to be drawn, rather than on administrative efficiency in particular States.

The Centre and the States have a common interest in administrative efficiency. States can profit greatly from one another's experience and from a review from time to time by detached observers of the efficacy of their machinery and methods. Under certain conditions, the national interest and the welfare of the ordinary citizen may be adversely affected if there are serious or prolonged administrative failures within a State. For the most part the remedies must be found within each State, through the sanction of its own institutions and public opinion. But these could be usefully supplemented in other ways. For instance, the Committee on Administration in the Central Government could present an annual review of developments in the field of administration and administrative efficiency, to which the corresponding Committees on Administration in the States could contribute material. This report could be placed before Parliament and the National Development Council. Citizens' groups, composed of leading persons without political motive or interest or drawn from diverse sources, could be set up by the Central and the State Governments to report on administrative performance in selected fields, specially from the point of view of the citizen's welfare. Independent administrative research could be encouraged more actively in the universities.

The second of the assumptions listed earlier raises the issue of how a democratic system may function in practice as distinguished from theory. As was recognised in the First Plan, democratic institutions are in their nature difficult to work, for they call for a consciousness of social purpose, courage to stand by principles, and restraint in exercise of authority. Stressing the common aims and complementary functions within the scheme of democracy and national planning of the political executive and the public services, the First Plan stated their respective tasks in these terms:

“The political executive in charge of the government has a twofold responsibility to fulfil. Its principal task becomes one of assessing what the public desires, what its essential needs are, and how they may be met. In other words, its sphere is, in the main, one of policy and the principles that lie behind policy. The political executive has, therefore, to give special attention to the formulation of principles and policies in each field of activity. Secondly, it has to ensure that the principles and policies which are laid down are followed faithfully and, where discretion is vested, it is exercised in the public interest.

“In the implementation of these responsibilities, there has to be devolution of power to large numbers of public servants who, as a body, constitute the administration. The public services stand outside the arena of political life. The security of tenure, expertise and knowledge and appreciation of the implications of different problems and programmes derived from experience of dealing with them over many years tends to give to the higher grades of public servants a considerable share in the shaping of policy. Their advice is always available to the government and they should be encouraged, as indeed it is their paramount duty, to tender advice without fear or favour. Even though their views generally influence decisions, their main role is to implement and to administer policies approved by the Government.”

The quality of administration and the standards of efficiency and fairness observed at the level of the citizen are influenced very largely by the way these general premises work out in actual practice. Over the past decade or more, there has been sufficient experience both of success when there is good leadership and of failure when there is an atmosphere of instability or uncertainty. There are also examples of indifferent working that may be classed neither as success nor as failure. It is necessary to spell out the effects on administrative efficiency and on the implementation of economic plans and social policies when democratic institutions become weak or falter in their sense of

direction. Remedies are not easy to suggest, much less to enforce. Part of the answer may lie in suitable conventions being laid out both at the political level and at the level of the administration. Another part of the answer may be to place certain key activities in the hands of Boards or Commissions or other authorities which can function largely on their own and enjoy internal autonomy, subject to overall policy prescribed by the Government and the appointment of a limited number of functionaries by the Government. The importance for the success of democracy of orientation through summer schools and seminars in public affairs, planning and social policy, in which individuals drawn from political life, academic institutions and elsewhere may participate together should not be under-estimated. In a climate in which the fundamentals are more generally grasped and common citizen values gain wide acceptance, changes at the political level will not prejudice the common interest of the community. From our own experience, we know enough about possible weaknesses in parliamentary institutions in relation to planned development to be only too eager to discover practical ways of countering or overcoming those weaknesses.

When India attained freedom, the main pool of administrative experience and knowledge was to be found in the public services, specially in their higher ranks. It was a natural corollary, therefore, that as a body these should be assigned and be willing to accept the obligation to maintain standards in administration, to probe weaknesses and recommend measures for the approval of the Government, both at the Centre and in the States. This expectation has been realized only in an incomplete and indirect manner. Within their limited and specific areas of individual responsibility, it may be assumed, the senior officials concerned have endeavoured to establish the conditions necessary for administrative efficiency. Their effectiveness in this respect has depended upon the extent to which they themselves functioned in a climate of confidence and understanding. More recently, the Committee on Administration at the Centre and similar Committees in the States have served as an institutional means through which leadership can be provided for administrative reform from within the administration itself and with the support of the political executive.

For these agencies to fulfil their part, certain other conditions have to be created. First, the achievement of administrative efficiency and standards has to be accepted explicitly by those holding political office as a public interest ranking above all other aims and differences. Secondly, it has to be more generally recognized that administrators and senior officials functioning at the higher levels carry responsibilities wider than their direct association with particular Ministries or Departments may indicate. They have a large share in strengthening and

giving practical form to the unity of direction which the Cabinet form of government is intended to provide. Thirdly, the concept of administrative leadership has to be carried from the higher ranks of the public service as a whole to the higher personnel within each Department and organization. In other words, within the growing structure of administration, which functions necessarily in numerous separate branches and compartments, ways should be found for communicating and making real certain common values and attitudes which transcend the interest of the individual and the separate loyalties of different agencies. To an extent the institution of a system of reorientation and refresher courses at critical stages in the public servant's career, in which both technical and administrative personnel are brought together, may help strengthen the concept of administrative leadership. There is no gainsaying that any steps which may be instituted within the structure of administration can go only some distance, unless the importance of administrative leadership from the wider public point of view is equally emphasized by those who hold political office, by Members of Parliament and Legislatures and by informed opinion generally.

Development plans undertaken since Independence naturally called for considerable expansion in personnel and training facilities. On the whole, the approach to this problem has been cautious and conservative, specially in relation to technical personnel. Invariably, the requirements have been either under-estimated or reckoned for too short a period. The task of building up technical cadres has been left primarily to the States. Conditions in different States and the terms on which personnel for technical cadres are to be obtained have varied a great deal. The consequence is that important technical services have failed to secure adequate flow of talent. There has been comparatively little progress in developing all-India services in technical fields and, in many States, although there has been quite considerable expansion, there is continuing shortage of persons who can man the higher positions. Since it would apparently be impossible to serve several vital areas of technical development through all-India services, for the higher positions at the Centre and in the Union Territories and for assisting individual States on request, the possibility of establishing special cadres under the Centre has to be explored afresh. This is a matter of some importance because, in several branches, personnel of the requisite quality for the higher positions are not becoming available. In the light of experience there is little doubt that the Central Government has to assume a more positive role in building up and maintaining technical personnel for various fields of development, even though these might fall mainly within the plans of States.


In almost every sphere of development, methods of administrative planning and implementation, formerly in vogue, have been found to be wanting. This is illustrated, for instance, by the weaknesses of existing extension organizations in agriculture and small industries, by the inability of project authorities to fulfil their schedules and by failures in public relations on the part of various agencies in the administration. In other words, traditional administrative processes and procedures do not answer present needs and, in each branch of administration, there has to be more systematic evaluation of methods as well as fresh experiment. Some pioneering work has been already undertaken along these lines, and it should now be possible for the Central and State Governments and research institutions to identify key administrative tasks for closer study.

When Five Year Plans began to be formulated, it was not realized how difficult it would be in practice to plan for and implement programmes in different fields in a coordinated manner. This problem of integration exists at all levels—national, State, district and block. At the State level, Planning Departments and Inter-Departmental Committees of Secretaries have been concerned with bringing plans together and occasionally reviewing their progress. In practice they have limited themselves to adjusting plans to estimates of available resources. Dovetailing of action in different fields so as to secure the maximum results has proved an extremely difficult exercise. This problem has also not been solved at the district level where, on the whole, different departmental agencies have continued to function in compartments. At the block level, with the community development programme serving as nucleus, there has been a somewhat larger degree of integration, but by no means sufficient to achieve the objectives of area development. One of the main problems of Plan implementation arises from the fact that while the total plan is not articulated sufficiently clearly, with its different parts seen in relation to one another, in executing each separate part there is a degree of diffusion of responsibility. Thus, the assumption in the plans that the administrative problems involved in formulating and carrying out related programmes will be resolved by the Departments concerned in some practical way has not been borne out by experience. There has to be closer analysis of these problems, so that the various operational steps can be established and execution facilitated.

Recent legislation establishing Panchayati Raj institutions is, in the last analysis, a product of the belief, first expressed many years ago, that under conditions of democracy the maximum development will be achieved when responsibility is placed upon the people and their representatives, and local communities, groups and individual families

are directly involved in the developmental effort. Now that Panchayati Raj institutions have come into existence, greater attention is being given to the administrative problems and possibilities which they throw up. The subject has been recently examined carefully in V.T. Krishnamachari's Report on "Indian and State Administrative Services and Problems of District Administration." The central issues raised concern the determination of priorities at the district and block level and their relationship to national and State priorities, the role of administrative and technical services under Panchayati Raj, and the means by which local efforts and resources could be best harnessed. What was initially a set of acceptable assumptions is now seen as a series of questions to which satisfactory working answers have yet to be found. While it would not do to fetter the discretion and judgement of democratic institutions unduly, it remains yet a matter of first importance that there should be efficient administration of supplies and services, that there should be planned development capable of resisting factional pulls and pressures, and that the strength of local institutions should make it more rather than less possible to achieve important national goals.

In this paper some of the main administrative assumptions in the Five Year Plans have been reviewed somewhat summarily. The conclusion can be drawn that the administrative implications of planned development have turned out to be deeper and more far-reaching than has been supposed. They involve new administrative relationships between existing agencies and also between non-official representatives and administrative and technical services functioning together in a new and complex network of institutions. At each level a large number of activities have to be brought into a common frame and, at the same time, their efficient execution has to be assured. Many of the relationships and processes implicit in this situation are not yet sufficiently clear. In this background simple solutions may not be of much avail. Perhaps the most critical level in the present structure of administration and planning is that of the State. Here there should be much closer study of relationships leading to the Centre, those connecting the various agencies at the State level with one another for planning and for implementation, and those linking up with institutions and agencies at the district and block level. A marked strengthening of the machinery for planning and administration at the State level is now essential if the wide range of responsibilities falling to State Governments as a consequence of successive Five Year Plans is to be discharged effectively and efficient execution is to be achieved at the level of the citizen.





## A PROFILE OF FINANCIAL ADMINISTRATION

*A. K. Chanda*

**P**ARLIAMENTARY CONTROL of national finance is basic to a democratic form of government. It is by controlling finance, parliament controls the Executive and secures their accountability.

Parliamentary supremacy came first to be acknowledged in the U.K. when the King's government was forced to accept the two principles that no tax could be levied without the authority of law made by parliament and no money could be appropriated without its specific approval. While the acceptance of these principles curbed the arbitrary exercise of taxing powers, it failed to restrain wholly the unfettered use of revenues raised. Having obtained the appropriations, the King's government often diverted them to purposes other than those intended. This led to the gradual evolution of the principle that estimates should be prepared for each departmental vote separately and approved by the Treasury before presentation to the House and further that individual appropriations could not be varied by the Executive by reappropriating moneys from one vote to another. Any anticipated excess in a vote had to be covered by prior parliamentary approval; similarly, any saving in a vote had to be surrendered to the Exchequer at the end of the year.

To give reality to these provisions, a Consolidated Fund was constituted into which shall flow every stream of the revenue and from whence shall issue the supply for every public purpose'. A Contingency Fund was also authorized to enable the Executive to meet unforeseen expenditure during the recess of parliament, subject to the fund being reimbursed by a vote of parliament when it reassembled.

Having laid down principles, parliament found itself in the unenviable position of not being able to ascertain whether the Executive were observing these principles faithfully. Eventually, a solution was found by creating the office of a Comptroller and Auditor-General, independent of government and accountable to parliament for the audit of public accounts. Initially, his rôle was mainly to check the accounts and the correctness of classification of expenditure to ensure that the votes had not been exceeded and that amounts appropriated had been utilized for purposes authorized and within the scope of the grants. But later, with the encouragement of parliament, he assumed authority to report on the faithfulness, wisdom and economy of

expenditure. This forged audit into an effective instrument of parliamentary control.

The question then arose as to how best the audit report could be dealt with. It required a detailed examination of a somewhat technical character and it involved the examination of official witnesses for explanation and elucidation of points raised in audit. Obviously, the House as a whole could not undertake this responsibility and it was best remitted to a committee of the House. The Committee on Public Accounts thus came into being and soon emerged as the most powerful force in the control of public expenditure. The review of the audit report by the Committee completed the cycle of parliamentary control over appropriations granted.

But this was the main phase of control; there was yet another phase, the examination of the estimates presented to the House to ensure that they had been drawn up with due regard to efficiency and economy. The idea of entrusting this scrutiny to another committee of the House was actively canvassed. But it was recognized that such a pre-check would impinge on cabinet responsibility and would also commit the House to the acceptance of the estimates without a debate. These difficulties stood long in the way of constituting an Estimates Committee. Ultimately, the difficulties were met in an ingenious way, characteristic of the British, by excluding policy from the examination of the Committee and by providing for scrutiny of estimates after they had been passed by the House. The observations of the Committee were to be taken as guides for the preparation of estimates in succeeding years.

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The Government of India Act, 1935, which was the pathfinder for the transfer of responsibility had largely absorbed the financial principles and procedures of the U.K. outlined above, but there were also significant omissions. The concept of parliamentary supremacy enshrined in the Constitution having been borrowed from the U.K., the Constituent Assembly made good these omissions on which this supremacy largely rested. The financial provisions of the Constitution bear thus a remarkable similarity to the financial provisions of the U.K.

There is, however, an additional provision, a heritage of the 1935 Act, the provision of a public account. This account accommodates receipts other than revenues, such as deposits made by private parties, provident and other fund balances, premia on postal life insurance, postal savings bank balances, etc. These amounts are held in trust by government and repaid as and when required by the executive without authorization of the legislature. There is no such account in the U.K.

Funds of the nature mentioned are separately invested and are thus not available for public expenditure.

Though there is nothing inherently wrong in the retention of such an account, the way its balances are treated come in the way of applying parliamentary control over withdrawals from the Consolidated Fund. The balances of this account are not held separately and are merged in the cash balances of government. The result is that the balances of the account are frequently drawn upon without let or hindrance for meeting expenditure debitable to the Consolidated Fund. Often the balances held in the Consolidated Fund are not sufficient to meet the demands on it.

This has largely frustrated the purpose underlying Articles 114 (3) and 204 (3) regulating withdrawals from the Fund. In fact, under this system, nobody would know at any particular time, whether the Consolidated Fund has run dry or not. If moneys outside the Fund can be freely utilized for meeting expenditure legally payable only out of the Fund, the restrictions imposed by the passing of an Appropriation Act is rendered null and void in practice. All the fuss about preventing infractions of the Appropriation Act in this situation is meaningless. The prevalent practice is no doubt convenient and eases the ways and means position of government but it is not in accordance with the provisions of the Constitution. It is also contrary to the spirit and purpose of the Consolidated Fund. Whatever may be the financial embarrassment to government, it is imperative that the Public Account should be placed beyond the arbitrary reach of executive power.

An essential ingredient of a comprehensive financial control is Exchequer Control. In the U.K., the Auditor-General is also the Comptroller-General of receipts and issues. In this capacity he fulfils an important role in the control of appropriations. Requisitions for withdrawals from the Consolidated Fund lodged in the Bank of England have to be countersigned by the Comptroller in token of his acceptance of the withdrawals as being in accordance with the vote of the House before they can be honoured. This may be regarded, in a sense, as the starting point of appropriation control.

The Constitution redesignated the Auditor-General as Comptroller and Auditor-General. The change in designation envisaged a system of control over exchequer issues hitherto absent in the financial administration of India. But this function has yet to be developed. There are certain procedural difficulties which arise from the decentralized system of payments in force.

Exchequer control cannot be exercised unless there is a single source of funds and all payments are made centrally from this fund.

Another drawback of decentralized payments made in hundreds of treasuries scattered all over the country is that it makes control of votes difficult, if not impossible. Though a scheme of control has been instituted and also an agency created to ensure that the controls are effectively applied, its purpose has been largely frustrated by the retention of the outmoded accounting system. This system which has been in use well over a century has remained untouched by the significant changes in the concept and purpose of the state. As a result, accounting responsibility continues in the hands of an alien authority—the Comptroller and Auditor-General. This has not made it possible to devolve accounting and financial responsibility on the permanent Secretaries as in the U.K. Rationalization is, therefore, necessary on more than one consideration.

A limited experiment was tried by the last Auditor-General by transferring accounting responsibilities to two selected administrative departments in two States and also in one department at the Centre. The experiment in the States, however, failed largely as the departments had not been given larger financial powers which was a prerequisite of transfer of accounting control. Secondly, the controlling officers had neither any financial background nor had they been given any financial experience. The separation in the Centre, however, continued as the department concerned lent itself to the continuance of centralized payments but no extension of the scheme was made or is contemplated.

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Treasury control of expenditure is a necessary concomitant of parliamentary control but it is a continuous control applied both before and after parliamentary approval of estimates. The process of control is initiated when estimates embodying departmental plans and policies are submitted to the Treasury for examination and acceptance. This affords the Treasury not only an opportunity to assess them individually but also to have a broad view of the policy of the departments as a whole. It is at this stage that treasury control over policy becomes operative and the role of the Chancellor as coordinator of financial and economic policies comes into play.

Till 1920, the Treasury exercised stringent expenditure control extending to itemized scrutiny of departmental expenditure. Gradually, there was the realization that this somewhat undefined duality of control was encouraging irresponsibility not only in the preparation of the estimates but also in the subsequent regulation of the flow of expenditure. It was also realized that it was unwise to dissociate policy from its financial consequences. It was with the advent of Warren Fisher to the Treasury as permanent Secretary that practical shape was

given to what has now become fundamental principle of departmental responsibility—the responsibility for the preparation of the estimates with due regard to efficiency and economy and the subsequent responsibility for the beneficial and economic utilization of appropriations granted. The Treasury ceased thereafter to be ‘the single-handed champion of the solvency keeping ceaseless vigil on the buccaneering proclivities of the permanent heads of department’.

As a result of this fundamental change in the concept of departmental responsibility, the departmental estimates in U. K. are now subjected only to a broad examination in matters of principles rather than details. Once the estimates have been accepted by the Treasury and appropriations obtained, the departments are free to incur expenditure on their own. A reference back to the Treasury is only necessary if a new service is being initiated, the scope of a grant is being varied or the vote is likely to be exceeded. This liberalization has been made largely possible by two factors. First, the civil service in the U.K. is administered by the Treasury, which is thus in a position to make disposition of manpower with reference to both administrative and financial needs of government; secondly, a policy of periodical interchange of the senior officials between the Treasury and administrative departments has now been firmly established. As a result, the civil service is now a versatile cadre, which can take on either responsibility with equal facility. The permanent departmental secretaries are also separately named as Chief Accounting Officers by the Treasury with defined financial responsibilities, with abatement of direct Treasury control. The essence of this arrangement is that it ensures that policy and the consequences of policy go hand in hand.

Till recent years, the finance department in India was modelled on the Treasury as it was before 1920 with the ‘saving of candle-ends’ as its primary concern. Financial control was a two-stage control concentrated in the finance department; budgetary control and expenditure control. The finance department did not share its responsibility with any other department. In fact, it emerged as a specialized department with the claim that it was the sole repository of financial wisdom. This claim was strengthened further when in 1938, a special Finance-Commerce Cadre was constituted to fill all higher posts in the field of economic administration. In the absence of a scheme for installing personnel for financial scrutiny internally in the departments, itemized control extended even to the creation of minor posts in the departments. This pattern of control was adequate when the state had no defined social objectives and the bulk of expenditure related to administration with a pronounced emphasis on law and order and defence.

But with the advent of Independence and the launching of Five Year Plans of economic and social development the unsuitability of the system came to be gradually realized. But there still is disinclination on the part of Finance Ministry to part with power fully and on the part of administrative ministries to assume responsibility.

The first significant step towards giving financial autonomy to the ministries was taken when the scheme of installing financial advisers in the Supply Department, evolved during the War, was retained and gradually extended after Independence to other selected ministries. These advisers were, however, only outposts of the Finance Ministry and controlled by it. Financial scrutiny continued to be applied meticulously to details of expenditure and there was hardly any relaxation of the rigours of control. Even the technical details of development schemes and works programmes came to be questioned even though the Finance Ministry was not equipped for the purpose. As a result, the objections raised were often elementary and uninformed in character. This not only acted as an irritant but was also time-consuming. Ultimately, the objections were waived but after interminable discussions and avoidable delays. Control became effective only over establishment proposals, the expenditure on which was but an insignificant fraction of the cost. Whilst straining at the gnat, the Finance Ministry often swallowed the camel. Nevertheless, the location of financial advisers in the ministries and their close contact with the departmental officials gave each other a better appreciation of their respective problems.

Disturbed by the delay in the execution of projects and lapse of funds, Prime Minister himself felt that a relaxation of control should be made. The present writer was asked to undertake an examination, the result of which caused an explosion in the Finance Ministry, but unfortunately it left no scars. It was much later that a process of progressive delegation to the ministries was initiated.

The arrangements for budgeting and financial control in regard to civil expenditure were revised in August 1958. The essence of the new arrangement was that the major scrutiny of the Finance Ministry in respect of any proposed expenditure was exercised before the budget was framed. Subject to the observance of any general or special directions issued by government from time to time in regard to standards of expenditure, etc., and subject to the existence of budget provision, administrative ministries were free to issue sanctions to expenditure except that in regard to schemes which involved a total outlay exceeding Rs. 50 lakhs, the prior concurrence of the Finance Ministry was required. Where, however, the scope of a scheme previously accepted by the Ministry of Finance was substantially altered, even though the

total cost was not exceeded or, if the total cost of an accepted project was likely to be exceeded, a reference to the Finance Ministry was necessary.

As a part of the revised arrangements, wider financial powers were delegated to the ministries. To assist them in exercising these powers they were provided with internal financial advisers with necessary supporting officers and staff. These officers were designated as Financial Adviser, Deputy Financial Adviser or Assistant Financial Adviser and were given an appropriate *ex officio* Secretariat status in the ministry to which they were posted. These officers and staff, who formed the finance branches of the administrative ministries, were employed solely on financial, budgetary and connected work, and also assisted the administrative ministry in regard to the control of expenditure against appropriation. The officers were associated with the ministries concerned in the formulation of proposals for inclusion in the budget from their inception and consulted in all financial matters involving the exercise of enhanced powers now delegated and also in regard to matters requiring a reference to the Ministry of Finance. Where the advice tendered by the Financial Adviser of a ministry was not accepted by the Secretary of that ministry, the case was brought to the notice of the Minister-in-charge concerned and, in addition, a monthly statement giving a summary of the differences and the final decision taken was furnished to the Secretary, Ministry of Finance (Department of Expenditure) and to the Comptroller and Auditor-General.

Another step forward was taken in September 1961 when an experimental scheme involving delegation of additional financial powers to the Ministries of Commerce and Industry, Community Development and Co-operation and Information and Broadcasting and the Department of Food was introduced. The enhanced powers delegated related mainly to creation of posts, reappropriation of funds and expenditure sanctions to constituent units of approved projects.

The scheme retained pre-budget check but provided that this check would be applied at random. Budgets were required to be prepared in details so that post-budget references and checks could be eliminated. A work study group was established in each ministry which now had freedom to create posts on the basis of the studies made. It was also enjoined that powers should be delegated to the maximum extent possible to the subordinate organizations of the ministries.

Financial advice to these ministries continued to be rendered as in the past under the combined system of financial advice whereby the officers accredited to the department deal with both expenditure proposals falling within the delegated field and also those requiring the

Finance Ministry's concurrence. The scheme which was sanctioned initially for a period of six months was extended for a further period up to middle of September 1962. It was also stated that government intended to extend the scheme to other ministries if this experiment succeeded.

The review envisaged was undertaken in early 1962 and the scheme was extended to other ministries and made a permanent feature of expenditure control in June 1962. The only exclusions were the Ministries of Railways and Defence and the Department of Atomic Energy. But these ministries were differently organized and had a fuller measure of financial autonomy even otherwise. The delegations made have undoubtedly moved into the watershed of decontrol but the goal of financial emancipation of the ministries has yet to be reached.

It is necessary, however, to sound a note of caution. A prerequisite of large scale transfer of financial powers to ministries is to equip them to exercise the powers with propriety and prudence. The induction of one or more finance officers, owing dual allegiance, does not fulfil this pre-condition. It is necessary now to introduce and enforce a well thought out plan of interchange of officers between finance and administrative ministries so that there is a growth of financial responsibility at all levels in the Secretariat. This alone will bring about efficiency and economy in which even the 'saving of candle-ends' would not be disregarded.

Though the delegations enjoined that there should be a redelegation of power to all executive levels commensurate with their responsibilities and status, there seems to be a singular disinclination on the part of ministries to part with power. It is imperative that delegations should be made contingent upon redelegation. Otherwise, the very basic purpose of delegation would be defeated. A feeling of frustration still persists at executive levels, discouraging the development of initiative and responsibility. This is hindering the expeditious and efficient execution of projects and programmes retarding the fulfilment of the plan of economic and social progress. This is an aspect of readjustment of financial authority which can no longer be lightly treated.

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The economic disruption caused by the Second World War, its impact on the pattern of trade and commerce and the revolution it brought about in the way of life, accelerated the growth of collectivism which had germinated in the beginning of the twentieth century. The regulation of economic life became the more important function of government. This responsibility devolved primarily upon the financial wing of government.



It was realized that it was no longer sufficient to provide for balanced budgets and to exercise meticulous control over departmental expenditure; it was more important to provide for maintenance of full employment while avoiding inflation, achieving a satisfactory balance of payments and fulfilling major political and strategic objections which had economic implications. The economic situation and prospects of the country had to be continuously analyzed by a organized study and an assessment systematically made of world economic trends. The investment programme which was basic to the programme of capital development had similarly to be coordinated against which budget policy had to be determined. It was no longer enough when preparing budget estimates to aim at producing cash surplus at the end of the financial year; it was more necessary to find satisfactory conclusions for the problems of inflation and deflation, for the investment programme and for the balance of payments and other allied matters.

This realization led to a major readjustment in the functions and organization of the Finance Ministry. A Department of Economic Affairs was constituted in 1947 which gradually grew in importance and elbowed out the Department of Expenditure from the place of pre-eminence it had hitherto occupied.

The Department of Economic Affairs is organized in six divisions of budget, internal finance, planning, external finance and foreign aid, economic intelligence and insurance. The Budget Division is responsible for the preparation and presentation to parliament of the budget of the central government other than railways. This is a coordinated effort involving the collection and consolidation of data relating to the receipts and expenditure of government from all revenue receiving and spending authorities. The estimates under the principal heads of revenue are prepared in consultation with the Department of Revenue and those relating to other heads on the basis of the data furnished by the ministries or their Accounts Officers. Similarly, expenditure estimates are adopted on the basis of the proposals received from the administrative ministries as approved by their Financial Advisers. The Plan allocations are made on the decisions taken in agreement with the administrative ministries and the Planning Commission. Likewise, the amount of the Plan assistance to the States is determined on the basis of the annual reviews in consultation with the State governments of the resources and requirements and after taking into account the overall financial position of the centre. The Budget Division is also responsible for estimating the capital receipts and receipts and expenditure under the various debt, deposit, revenue and remittance heads.

The Internal Finance Division deals with all matters connected with currency and coinage, Reserve Bank of India, State Bank of India,

state associated banks, banking in general, administration of mints and assay offices, security printing, price control and capital issues, etc.

The Planning Division is concerned with the work connected with the preparation of capital budget and the allocation of ceilings on capital expenditure of the various ministries in consultation with the Planning Commission, the administrative ministries and the Department of Expenditure.

External Finance and Foreign Aid Division is responsible for economic and financial relations with foreign countries and international institutions. All proposals for fresh foreign exchange expenditure are scrutinized in this Division with a view to ensure that such expenditure is kept to the minimum consistent with the maintenance of economy and execution of developmental programmes which have been accepted by government for implementation. Normally, six-monthly reviews are undertaken of the foreign exchange situation with reference to the availability of resources and the claims on them.

The Economic Division, which is mainly the department of the Economic Adviser, keeps under review the emerging trends in economy and advise the ministry on questions of economic policy. It undertakes tax research, studies internal and international economic developments and reviews public finance and planning.

Insurance Division deals with all matters connected with insurance and is particularly concerned with the administration of the nationalized Life Insurance Corporation.

While the Economic Affairs department is the natural home of the Budget Division, its inclusion in this Department has resulted in the separation of budgetary control from expenditure control. This seems inescapable in the present dispensation. When, however, the ministries are given full control over their financial affairs, a link should be provided with the Budget Division by installing high level officers who would perform advisory and inspection functions in its relations with the ministries.

The Department of Company Law which was at one time a wing of the Finance Ministry was transferred to the Ministry of Commerce and Industry but not on considerations of rationalization. This was a retrograde step as it disassociated capital issues and other allied matters from the administration of company law. It seems desirable that company law administration should be retransferred to the Finance Ministry, where it appropriately belongs.


Another important wing of the Finance Ministry is the Department of Revenue. Unlike the U.K., where the Boards of Inland Revenue and of Customs and Excise are statutory Boards outside the

Treasury, the Central Board of Revenue in India administering both direct and indirect taxes has always been a limb of the Finance Ministry. The Board has, however, statutory functions, distinct and separate from its role as a part of government. The Members of the Board have *ex officio* status in the Secretariat hierarchy and often sit in judgement on decisions given by themselves in their executive capacity. Not unnaturally, there is complaint from trade and industry that this irrational arrangement interferes with administration of justice in appeals preferred to government. The creation of an office of Secretary, Revenue, who is no longer a part of the Board, as before, has partially met the complaint. But it is by no means established that it is the best solution of this and allied questions of revenue administration. It has been urged by many that the Central Board should be no more than the Chief Revenue authority, concentrating on technical and administrative functions. Taxation policy has to be based on economic considerations and the shares of revenue to be raised by direct and indirect taxes have also to be determined. It is the Economic Affairs Department which is in the best position to consider, in consultation with other economic ministries, the overall impact of particular imposts on trade and industry, in particular, and national economy in general. This issue has also been posed before government by more than one committee but a decision has yet to be taken.

The anomalies inherent in the administration of Customs, Income Tax and Central Excises arising from statutes enacted long ago influenced the Finance Minister to constitute high level committees on both direct and indirect taxes.

The Income Tax Act has recently been revised on the basis of the report of the direct taxes committee and the Sea Customs Act has also been remodelled. The Central Excise Committee has very recently submitted its report and a revision of the Excise Act will undoubtedly be taken up in due course.

There is evidence of increasing awareness in government of the need for reshaping its machinery to fulfil tasks which arise from the concept of a welfare state and the Five Year Plans of economic and social development. The piecemeal review undertaken in regard to financial administration has served only a limited purpose. It remains now to initiate a comprehensive high level review to give administration a new outlook and a new purpose and to make it flexible to respond to the changing needs of the present and the future.



## THE PUBLIC SERVICES—RECRUITMENT AND SELECTION

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&

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THE IMPACT of the political changes leading to Independence and the scale of growing popular expectations from the socio-political system have brought about dramatic pressures and problems upon the administrative apparatus in India. These pressures and problems, in their turn, generated significant developments impinging on the personnel recruitment and selection systems.

The developments were intrinsically related to the impact of transfer of national political power, assumption by the national government of new and complex tasks in the socio-economic and political fields, unusual and urgent changes in the requirement of personnel and of diversity of personnel skills, and a sharpening competition between the various sectors of national life for scarce and expensive personnel. And within the personnel field a firmer commitment to the principles of merit staffing in government employment, development of well organized personnel agencies, and minor shifts in the methods of recruitment and selection were the highlights of the time.

For purposes of clarity, it is useful to explain the terms recruitment and selection. Many students and researchers in public administration use the words recruitment and selection synonymously. Recruitment or selection for them is the process of reaching qualified candidates and inducing them to apply, examining and testing the eligibles, and finally selecting and appointing the most suitable for the job. The other usage differentiates between recruitment and selection by breaking the total process; the process by which candidates are induced to apply and compete is regarded as recruitment, and the process of examination and certification is regarded as selection. In this article, the latter usage is followed.

### *Transitional Era*

Much of the time between 1947 and 1950 saw extraordinary pressures on the administrative personnel. The largest single cause of these pressures can be traced to the loss of highly trained senior personnel. An anticipated though staggering loss occurred in the Indian Civil Service when more than 600 officers out of a total of a little over

1200 preferred to return to the United Kingdom. This was accentuated by a further loss of nearly 100 I.C.S. officers who opted for Pakistan. A similar striking loss of trained senior staff also occurred in the Indian Police Service and several other important services.

Additional pressures came in the wake of the integration of States. Administrative responsibilities for additional geographical areas and their incorporation in the existing administrative framework exerted further strains on the crucial higher services. And there was also the problem of absorbing the personnel from the Princely States and finding them suitable placements within the existing hierarchy.

These were problems of considerable urgency and needed quick solution; a long range solution in the form of reorganization of the public services had to wait. Immediately, therefore, the depleted higher services were given a prop up by rapid promotions from the lower services. Government servants who had never any reasonable expectations for higher jobs, found themselves rapidly moving up the hierarchy.<sup>1</sup> These, however, were *ad hoc* solutions and the detrimental effects of unsystematized promotional practices were portentous. Besides, permanent arrangements were essential.

Since one of the major causes of the personnel "lag" was the total absence of fresh recruitment to the higher services including the I.C.S. after 1943, arrangements were completed for the "war service" recruitment.<sup>2</sup> The successful candidates were selected in 1947 and placed in the Indian Administrative Service Training School. But this recruitment was able to get only 87 candidates to the I.A.S. although several others were offered jobs in the Central Class I Services.

The shortage of officers itself still being acute, a new approach to recruitment was evolved whereby talent from outside the government service was tapped. This was the "emergency" recruitment. Applications were invited for the Indian Administrative Service, Indian Police Service and the Central Services from persons who were above the ordinary age group but not above the age of forty-five. Minimum qualifications were a university degree and at least five years of work experience or a salary of Rs. 400 per month and above. These applications were scrutinized by a Special Recruitment Board created by a

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1. For an interesting discussion of this, see Gorwala, A.D., *Role of the Administrator: Past, Present & Future*, Poona, Gokhale Institute of Politics & Economics, 1957, p. 23.

2. Actually this recruitment effort was initiated before the transfer of power. Announcement of the competitive examination for the I.C.S. (the fresh appointments were actually made finally to the newly created successor service, viz., the I.A.S.) was made in late 1945. However, the final selection and placement did not take place until after the transfer of power.

Cabinet decision in 1948.<sup>3</sup> The Board was constituted with the concurrence of the Federal Public Service Commission, and it really worked as the interview board of the Federal Public Service Commission. As many as 11,899 eligible candidates applied; more than 50 per cent of these were already in the government service. The second largest group constituting 12 per cent came from public and local bodies. Commercial firms and business houses brought forth a little over 10 per cent of these candidates; a similar percentage came from the legal profession. The Board called 2,316 candidates for interview; 146 candidates were selected to the I.A.S., and 135 candidates for the I.P.S. Additional candidates were selected for the Central Services.<sup>4</sup>

During the operations of the Special Recruitment Board, the new Constitution of India was adopted and the Union Public Service Commission replaced the Federal Public Service Commission. The integration of Princely States and the new design of Part A and B States led to extension of the organization of All-India Services to Part B States. The Board was called upon to make another "open" recruitment in 1950 under the I.A.S. & I.P.S. (Extension to States) Scheme, of persons domiciled in Part B and C States. This involved the grading of all officers of the participating States selected for appointment to the I.A.S. and the I.P.S. The Board also examined, on behalf of the U.P.S.C., officers of these Part B States for their absorption into Central Services. Substantial recruitment was made through this method. For the I.A.S. alone, this method brought in 85 appointments.<sup>5</sup>

The effects of the post-Independence depletion of the services were still felt in the mid-fifties and another "open" competitive recruitment on the lines of the Emergency Recruitment was announced in 1956. This was the Special Recruitment of 1956. Additional 120 appointments to the I.A.S. and to the I.P.S. and Central Services from this examination increased the size of these services to meet immediate needs.

### *Changing Dimension of Staffing Function*

Nothing presents more problems for effective staffing than a sudden shift in the scale of operations of a government. This was precisely the development in the Government of India. Despite

3. See India, Special Recruitment Board, *Report*. New Delhi, Ministry of Home Affairs, 1955, p. 62.

4. *Ibid*, especially pp. 3-7.

5. See India, Ministry of Home Affairs, *Annual Report, 1949*, New Delhi, Ministry of Home Affairs, 1950, pp. 1-5.

inadequate statistical data, the estimated Central Government employment in 1948, exclusive of the armed forces and public enterprises, was in the neighbourhood of 14.45 lakhs.<sup>6</sup> This very figure had, by March 31, 1960, risen to 19.46 lakhs.<sup>7</sup> There was, thus, an increase of approximately 36 per cent in the Central Government employment over a period of 12 years thereby making for an annual average staff increase of 3 per cent. This figure includes employment in the Indian Railways. Exclusive of that, the Central Government employment stood, as on March 31, 1960, at 7.97 lakhs.<sup>8</sup>

The most striking percentage increase in the post-Independence era has been registered in the Ministries other than the Railways. The Second Pay Commission estimated the increase in other Ministries, between the years 1948-1959, at 91.05 per cent.<sup>9</sup> This growth, however, does not reflect a uniform pattern in all of the Ministries; some Ministries which came to face an altogether new set of functions expanded tremendously under the pressure of new developments. The Ministry of Food and Agriculture and the Ministry of Labour grew to four times their previous size during this period; the Ministries of Law and Health nearly trebled in terms of their size. A similar trend was visible in the Ministries of Home Affairs, Information & Broadcasting, and in the office of the Comptroller & Auditor-General. Among the other Ministries, the expansion was estimated at 52 per cent in Finance, 50 per cent in Works, Housing & Supply, 48 per cent in Transport and Communications, and 44 per cent in Commerce and Industry.<sup>10</sup>

Broken down in terms of Classes, the latest available figures indicate that the total number of employees in Classes I, II, III and IV in 1960 were 9,796 (0.5%), 25,836 (1.4%), 8,73,790 (46.3%) and 9,78,815 (51.8%) respectively.<sup>11</sup> Of these only 22,895 were "gazetted" employees consisting of 9,796 in Class I and 13,099 in Class II. In other words, the oft discussed recruitment effort and the organization

6. India, Ministry of Finance, Commission of Enquiry on Emoluments and Conditions of Service of Central Government Employees, 1957-59, *Report*. New Delhi, Manager of Publications, 1959, p. 8, (hereinafter this Commission is referred to as the Second Pay Commission).

7. This figure is taken from an unpublished study of India, Ministry of Labour & Employment, Directorate General of Employment and Training, National Employment Service, *Census of Central Government Employees*, (as on March 31, 1960), p. 5. The figure of 19.46 lakhs does not include non-regular staff; inclusive of this staff, the total is given at 20.25 lakhs. See *Ibid*.

8. *Ibid*.

9. Second Pay Commission, *op. cit.*, p. 8.

10. *Ibid*, p. 9.

11. This totals to 18,88,237; data on 58,263 employees were not available. See Ministry of Labour & Employment, Directorate General of Employment & Training, National Employment Service, *op. cit.*, pp. 10, 16.

of the U.P.S.C. is designed to serve as little as 1.9% of the total Central Government employment. The approximate turnover among these Class I and II employees and the methods of recruitment to these and other Class III and IV services and posts are dealt with later.

Factors leading to "big government" and a large public service cannot be ascribed to growth of an independent and parliamentary democracy alone although these developments did give a new dimension to some functions like External Affairs and Defence. But, as Prime Minister Nehru has explained, along with the democratic structure other changes have come. The State now thinks much more about socio-economic problems and the outlook of our Government has become less and less purely political and more and more social and economic.<sup>12</sup> In other words, the State has now become a major change-agent; it initiates and propagates schemes and projects having a direct bearing on the socio-economic and political life. The operational framework of the State as a change-agent covers such declared policies as removing ascriptive or caste stratification, active participation in and direction of economic activities through planning, and developing new political institutions like Panchayati Raj.

Consequent upon these pressing forces on the nature and scale of governmental operations, the traditional Services have expanded rapidly. Illustrative of this is the Indian Administrative Service. At the peak of its strength in early 1947 the I.C.S. group stood at a little over 1,200 officers; the cadre strength of the I.A.S. in 1963 inclusive of the I.C.S. members is around 2,200. The annual intake into the I.A.S. through the competitive examinations was 35 in 1950; in 1961 and 1962 as many as 100 candidates have been selected for this Service alone. Similar shifts in the scale of recruitment to other services are also noticeable.<sup>13</sup>

But the growth in the size of the traditional services has not been enough. Several of the newer functions demanded creation of new posts and services. In areas where the demand for a specialized personnel skill has been on a significant scale, the response has been in the form of evolving new services. Typical of these are the Indian Statistical Service, the Indian Economic Service and the Central Information Service. These new services will recruit personnel to man a series of functional posts within their cadres. In certain areas of emerging functions, the size of the personnel skill has been too small to warrant creation of separate services. In such areas the personnel problem

12. See Nehru, Jawaharlal, "A Word to the Services", *Indian Journal of Public Administration*, Vol. 1, No. 4, (October-December, 1955), p. 301.

13. See U.P.S.C., *Annual Report, 1950-51 to 1960-61*, New Delhi, U.P.S.C., 1951 to 1961.



is solved by creating *ad hoc* posts, often termed ex-cadre posts, and including them in the Central General Service.

### *Growing Competition for Personnel Services*

Inevitably the varied demands of the growing governmental operations made the Government of India a consumer of new and varied personnel skills. The Union Public Service Commission was increasingly asked to search for hitherto unfamiliar disciplines to governmental activities such as astrophysics, cybernetics, operations research, rural sociology, psychometry and the like. More and more specialized skills were looked for in the personnel market and the demand for skills was specific. The traditional recruitment methods offered inadequate support to staff many of these critical posts.

Basically the problems in the recruitment of specialized and technically skilled personnel arose because of a paucity of certain skills in the labour market. This phenomenon of super-abundance of the unskilled labour force but acute shortage of highly trained and skilled personnel is characteristic of many developing countries though somewhat less so in India. The problem of recruiting employees in this sellers' personnel market is complicated by several competing consumers in addition to the Central and State Governments in India. The greatest single emerging competitor is the private sector whose ability to offer better monetary and other terms of service has inevitably tilted the balance in its favour. But that is not all. The acute shortage of highly qualified personnel, even in the more developed countries like the U.S.A. and the U.K., has brought in international competition. Higher rates of compensation, favourable conditions of work, and distinctly better professional recognition abroad have led to a process now known as the "brain drain". Indicative of the seriousness of this problem is a mention in the U.P.S.C.'s report of 1960-61 that despite its efforts as many as 107 out of a total of 1,774 *ad hoc* posts remained unfilled for lack of suitable candidates.<sup>14</sup> In other words, the situation is perturbing and demonstrates the growingly menacing problem in critical and strategic areas of national life.

Admittedly, these problems are serious only in relation to a small fraction of the total personnel recruitment in the Government of India or even of the total annual recruitment effort of the U.P.S.C. However, considering the recruitment through the U.P.S.C. alone, approximately 2,000 candidates are selected annually through about 30

14. See U.P.S.C., *Annual Report, 1960-61*, New Delhi, U.P.S.C., 1961, p. 8 and Appendix II.

competitive examinations, and another 2,000 or less on an *ad hoc* basis. In other words, the problem of securing personnel for *ad hoc* posts has serious dimensions essentially because these posts are often of greater import than those filled through the competitive examinations. The strategic and critical importance of this recruitment must, therefore, be recognized both in terms of the size of such recruitment effort as well as the operating level for which these posts are designed.

### *Organization for Staffing*

The staffing function in the Government of India has been distributed in practice between the departmental recruiting agencies and the Union Public Service Commission. The distribution is essentially based upon the importance of the posts and services involved. All higher services and posts, principally those in the "gazetted" service of the Government of India are recruited through the U.P.S.C.; these include the All-India Services, and the Central Civil Services Class I and II. In strict statistical terms, contrary to the commonly accepted belief, the pattern of recruitment and selection in the Government of India is really decentralized. It is then closer to the truth that centralized recruitment is confined mostly to higher civil services and posts and that the decentralized pattern is common to the bulk of Central Government employment covered by lower services and posts.

However, even in the higher services there are two notable exceptions. The Atomic Energy Department and the Council for Scientific and Industrial Research have been authorized to recruit and select directly for Class I and II. This authorization was made under the U.P.S.C. (Exemption from Consultation) Regulations, 1958. Both these agencies have developed their own recruitment and selection methods. The Council for Scientific and Industrial Research has, however, requested the U.P.S.C. to help it select candidates for inclusion in the Scientists' Pool.

The Ministries have responded differently to the staffing function as it has devolved upon them. At least two agencies have evolved highly formalized solutions to the problem. The Railways have established four Zonal Railway Service Commissions each with a Chairman and two members. The function of these Commissions is to recruit by and large to Class III services; recruitment to Class IV is still conducted by executive offices. These Railway Service Commissions select Class III employees through competitive written examinations and oral interviews.

The Posts & Telegraphs Department of the Ministry of Transport and Communications has begun a similar experiment, although currently

it has formed only one P & T Services Board in the Northern Circle; elsewhere the regional departmental authorities perform this function. The P & T Services Board still in its experimental stage has only one Member/Chairman. The Board recruits only for the Class III services. In other areas the function is performed by the Circle Selection Board. Class IV recruitment is still handled by Circle offices. Like the Railways, the P & T Board relies on written and oral examinations for selecting candidates.

In providing for a Union Public Service Commission, the Indian Constitution envisaged a somewhat novel set-up. Unlike in the U.K., where the central recruiting agency is conventionally separated from the Treasury, in India it has been given a constitutionally independent status. In its operations, the U.P.S.C. is not fettered by any directives from the Government. Suspicious of favouritism and discrimination in service matters, the Constitution makers provided for a considerable legal independence of the Commission.

The important functions of the Commission are to select candidates to All-India and Central Services, to advise the Government on promotional principles and service matters, and to perform quasi-judicial functions in disciplinary cases. Basically the Commission seems to have been made a recruiting and advisory body. In order to focus public attention on the Commission's operations, especially where the Government has acted contrary to the Commission's advice, the Constitution has also provided for an annual report to the President which is laid before the Parliament.

The Parliament has been empowered to provide further guidelines in public service matters by passing appropriate legislation. Pending Parliamentary action, the President has been granted the authority to make regulations. The President also has the authority to make regulations specifying the matters in which it shall not be necessary to consult the U.P.S.C.<sup>15</sup> Such regulations have, in fact, been made limiting the scope of the functions of the Commission.<sup>16</sup> In other words, the exact scope of the Commission's functions is really decided by the Executive though with the acquiescence of the Commission.

The members of the Commission are appointed by the President for a period of six years or till the age of sixty-five whichever comes first. To prevent any political give and take, the Chairman is ineligible for any further government employment and a member can be appointed only as Chairman either of the U.P.S.C. or of a

15. See *Constitution of India*, Part XIV.

16. See U.P.S.C., *Annual Reports, 1954-55; 1958-59*, New Delhi, U.P.S.C., 1955 and 1959.

State Public Service Commission. Service considerations are retained through a provision that fifty per cent of the Commissioners must be government servants with at least ten years of governmental experience. And as a matter of tradition, the Chairman of the Commission has been a former civil servant. Similar conditions apply to the State Public Service Commissions also.

Almost all the personnel of the Commission's Secretariat are drawn from the staff already in service with the Government of India. This arrangement has brought about some useful administrative understanding between the various Ministries and the Commission. Also, since the general procedure followed in both the Government and the Commission has been the same, the problems of staff adjustments have been minimal; and the acceptance of the "insider" newcomer by the existing staff has been fairly easy.

On the other hand, this practice has virtually prevented adequate professionalization of the Commission's functions. While most of these require greater and greater professional understanding of the personnel function, the Central Service staff has been able to give only clerical and routine support. Problem areas in the operations of the Commission or improvements in its working have not been clearly pinpointed or examined. Initiation of such innovation too has been left to the Commission itself, and the Commission being in practice an executive and not a staff body, the functions of policy and organizational planning, and research have gone unattended. Lack of professionalization of the Commission's staff in terms of a commitment to personnel administration will perpetuate the existing problems.

The scale of the Commission's work has been continually increasing. The number of candidates applying for competitive examinations alone shot up from 19,983 in 1950 to a peak of 78,620 in 1958<sup>17</sup> and dropped to 35,613 in 1960. Similarly for the recruitment to *ad hoc* posts, while only 16,000 candidates applied in 1950, the peak figure went to 49,861 in 1956 and dropped to 34,479 in 1960. Increases are also apparent in other areas of the Commission's functions such as promotional matters and disciplinary cases.<sup>18</sup>

The growth in the work load of the U.P.S.C. has not been only quantitative; qualitatively too the problem has become more complex. Since the needs of administrative Ministries for more and more highly specialized and qualified staff has grown, the pressure on the Commission's time and energy for recruiting such staff has been greater and

17. Due principally to the Special Recruitment Examination held in 1957 for which 35,000 candidates applied.

18. See U.P.S.C., *Annual Reports, 1950-51 to 1960-61*, Appendix II.

greater. Whereas the problem of selection through the competitive examination has been, in effect, to eliminate a large number of unsuitable candidates, the task of recruitment to *ad hoc* posts has been to discover and attract well qualified candidates. Current efforts have not yet proved fruitful to solve this continuing problem and, as mentioned earlier, several posts remain vacant every year for lack of suitable candidates. New and different solutions will have to be discovered and implemented.

### *Staffing Methods*

Despite a certain amount of public and academic criticism, the methods employed in the recruitment and selection to the public service have not materially changed. In part, this is due to the fact that no effective substitute methods have been seriously proposed or even discussed. More has been said about the inadequacy of present methods rather than suggesting a new and practical scheme which will make a more effective system possible. As for the Commission itself, no professional staff trained to examine the currency of present methods and to discover more selective and reliable methods is included in its secretariat.

The existing traditional methods are closely related to the type of the examination. For the competitive examinations the methods of announcements and advertisement have been essentially the traditional ones. Primary emphasis is placed on the newspaper advertisement. Occasionally the Inter-University Board or the Vice-Chancellors of the Universities have been consulted by the Commission to discuss, among other matters, problems of attracting candidates from their universities to compete in the various public service examinations.

The testing methods in the competitive examinations have also not changed. The additional written test and a personality test or *viva voce* have continued as the crucial basis for selection. Written examinations carrying 1,450 marks for the I.A.S. and I.F.S. and 1,050 marks for other services cover the various academic disciplines; the question papers are designed pretty much on the pattern of university examinations. The examiners are mostly academicians and the contents of the question paper are adjusted to the standard of the examination. Thus the advanced papers for the I.A.S. and I.F.S. are of B.A. (Honours) or M.A. standard; others are of ordinary degree standard. Matters pertaining to the examinations are handled with considerable discretion and precaution.<sup>19</sup>

19. For a good description of this procedure, see Mani, N.S., "Public Service Examinations—A Peep Behind the Scenes", *Indian Journal of Public Administration*, Vol. 1, No. 4, (October-December 1955), pp. 318-327.

Generally candidates who score more than 50 per cent (the actual figure varies in different years) in the written examination are called for the personality test. The personality test carries 400 marks for the I.A.S. and I.F.S. and 300 marks for the I.P.S. and Central Services and, therefore, constitutes a significant element in the final outcome. Until 1958, no candidate unsuccessful in the *viva voce* could qualify for selection however high his score in the written test may have been. The idea behind such a provision practised even in advanced countries has been that certain criteria so essential to job performance cannot be tested in any written examinations; it is argued that only a well designed oral test can provide a better assessment. A basic change was effected by the Government of India in 1958 by removing the passing requirement in the personality test. Candidates have since been rated on their combined score in the written and oral tests for the I.A.S. and Allied Services examinations.

For *ad hoc* appointments, there are generally no written examinations. Primary reliance is placed on "paper" qualifications, i.e. academic qualifications and work experience. But selection is heavily based upon the interview. Here the most significant change that has occurred is not in the examination methods but in the recruitment effort. Circulation of a list of vacancies with scarce applicants to our embassies and centres of training abroad, and the Commission's selection interviews there, have been a promising, even though inadequate, development.

### *Emerging Problems: A Focus for Action*

Because of the abundance of the routine and secretarial skills which are required for the bulk of government posts, few problems have been felt to recruit candidates to these posts. Most of these candidates are, of course, recruited through the Departmental personnel agencies. The posts covered by these agencies are either in the menial and messengerial category or in the clerical and typists categories.

Even in the U.P.S.C.'s recruitment effort fewer problems have been felt to recruit to organized Class I and II Services through the competitive examinations. However, a drop in the standard of recruits is perhaps noticeable towards the end of the select list, especially in the I.A.S. and Allied Services. The Commission has thus been compelled to accept a few marginal candidates as a concession to linguistic trends and the hurried expansion of university education. This drop in the standard of some successful candidates, along with the constitutionally built-in-concessions to scheduled castes and tribes, will doubtless exert some strain on the performance of the

administrative apparatus. At least in so far as the drop is qualitative, remedial action will be necessary subsequently in the training field.

The problem of recruitment to *ad hoc* posts has indeed grown. Present efforts in terms of asking professional and academic institutions to suggest candidates and recruitment abroad have not proved entirely satisfactory. Fewer and fewer people apply for several of the more technical *ad hoc* posts thereby making the problem of increasing perplexity.

As far as selection itself is concerned, questions have been raised as to the suitability of current testing methods. This is more true in selection to the higher services through the competitive examinations. Basically the question is whether the very academically oriented written examination is really compatible with selection criteria designed to pick up candidates to perform highly applied work.<sup>20</sup> The existing examination hardly offers any reliable indicator of the "problem solving" or the managerial ability and potential of the candidates. In the U.K., where a competent system of selection is followed via Methods I and II,<sup>21</sup> it was discovered that several candidates who had failed by Method II, including some with low marks, subsequently proved successful through Method I.<sup>22</sup> In other words, the reliability of the selection methods appeared to be far lower than was expected. Thus no definite evidence is currently available to ensure that the existing selection methods offer a high degree of selectivity and reliability.

In order to attain a modicum of such reliability, it is indeed vital to evolve techniques of measuring the personnel skills and qualities which have a direct bearing upon the various kinds of functions involved in the job itself. Such measurement, though very important, has not yet been possible in any system although better and better techniques are being constantly devised. The difficulty obviously lies in the very large number of variables and intangibles involved in the kinds of functions performed by higher personnel. If these variables and intangibles were as simple as mechanical skills, as in the case of typists and stenographers, the qualities of a candidate could easily have been quantifiable and amenable to objective evaluation. Lack of such methods of evaluation with respect to the higher jobs and an absence of concentrated efforts in this area will continue to pose a major problem for effective personnel selection.

20. See Appleby, Paul H., *Public Administration in India: Report of a Survey*, New Delhi, Manager of Publications, 1953, p. 29.

21. Method I is recruitment based on competitive written examination plus oral interview; Method II, open for Honours graduates only, selects candidates through personality tests with a minimum of written examinations.

22. Waterfield, Percival, "Civil Service Recruitment", *Public Administration*, Vol. 36, Spring 1958, p. 5.

Within the range of the possible, however, is more effective manpower planning by the administrative Ministries. As the Commission has noted time and again,<sup>23</sup> the Ministries have generally rushed in last minute crash recruitment programmes. This has not only exerted considerable pressure on the Commission but has often rendered difficult a timely recruitment and selection of the necessary personnel. Much more is necessary by way of anticipating and planning of personnel requirements by the Ministries. Higher finance probably inhibits such planning if investment in skilled personnel continues to be budget bound by the annual span.

Since the Five Year Plans offer considerable data for the Ministries in terms of their work programme for the next five years, there is no reason why Ministries should not break down these programmes in terms of the various kinds of materials and personnel that would be necessary. Such a "programme" approach would help manpower planning and would ease the recruitment and selection process. The Commission would then be better prepared to help the Ministries by developing rosters of eligibles in many functional areas. In areas where the shortage is likely to be more acute and difficult, the Commission should suggest that the Government approach appropriate educational and research institutions at home and abroad for developing the necessary personnel.

This brings into focus the role of the U.P.S.C. A major problem thus far has been that despite the constitutional independence of the Commission, its jurisdiction is very much decided and controlled by the Government. Illustrations of this are offered by the successful cases of unilateral Governmental decisions like extension of service of individual officers and the role of the *viva voce* in the competitive examination. The Commission's ability to advise on broad personnel functions is thus severely limited even by the provisions of the Constitution.<sup>24</sup> Unless the Commission is assured of significant functional autonomy, as in Australia, to perform a set of interrelated personnel functions, its capacity to create a major impact on the problems of personnel recruitment and selection and generally on personnel administration will be severely restricted. Alternatively, the Commission could be a part of the Government so that the distribution of public service functions could be a matter of administrative convenience.

Again since personnel recruitment problems are acutely present even in the States, there is considerable need to coordinate the recruitment effort of the various States and the Centre. This alone could

23. See U.P.S.C., *Annual Report, 1959-60, 1960-61*, p. 7 & p. 9 respectively.

24. See *Constitution of India*, Article 320.



make more effective utilization of manpower resources possible and reduce the overheads of duplicated recruitment effort. The problem has just begun developing and in the near future it is apt to be a major limiting factor inhibiting effective staffing. Much thought deserves to be given to the Central and State Governments' manpower needs from the standpoint of staffing the various schemes and projects under the Five Year Plans. The central location of the U.P.S.C., its functional focus, and its general status make it a strategic point for providing such a leadership. A halting attempt in this direction has been made by the U.P.S.C. by holding periodical conferences of the Chairmen of the State Public Service Commissions in the country. Some organizational modification within the Commission will also be necessary to support this kind of activity.

Finally, as things stand, the U.P.S.C. as an independent Constitutional body has no direct access to public opinion. This has often led to inadequate representation of the Commission's viewpoint to the public especially in terms of the Commission's basic personnel approach, its policies, and its methods. Considerable misunderstanding appears current in the minds of many public men. The annual report affords the one and only opportunity to the Commission to express itself. But the annual report is necessarily a review of the Commission's operations rather than a statement of its basic policy and practices and is often placed before Parliament after considerable delay. In order to create realistic public image of the U.P.S.C., it must develop better public relations and explain its working, its functions, and its role.

### *Conclusion*

With the attainment of Independence, investment in manpower has turned out to be one of the most urgent problems. As planning became the main feature of the country's administrative leadership, the accent was on the developing of newer skills, administrative and technical, with greater attention to training facilities and enhancement of quality. Apart from general education so essential for democratic participation, higher education has sought to meet the country's needs in greater measure by the rise in the number of universities (from 16 to 55) and technical and scientific institutes and laboratories.

The system of merit staffing carried over from the British rule was further strengthened and the position of the central recruiting agency was elevated by giving it an independent status under the Indian Constitution. Considerable consolidation of the position of the Union Public Service Commission is evident in the weightage given to the Commission's advice by the Government of India.

The career services are structurally well organized. As a result of planning and national development, new All-India and Central Services have been announced. Some have already been formed. This indicates a directed effort to recognize the common service needs of the Central and State Governments and it also represents a recognition of new kinds of skills necessary for the effective operation of the Government.

The methods of recruitment and selection of personnel by the recruiting agencies have not undergone any substantial change since pre-Independence days; a few marginal changes are apparent. Refinements in the merit system of recruitment and competitive selection in the career services of the Government will depend upon further applied research with due regard to financial implications. For the other general services and posts, some improvements have taken place, for instance a large section of the clientele is reached by advertisement through the regional language newspapers.

The Scientists' Pool<sup>25</sup> has undoubtedly helped to stem the "brain drain". The extent of effective utilization of the members of this pool deserves careful attention. However, since problems of recruiting appropriate personnel have been felt by Central and State Governments, by Research Institutes, by Universities, and by business enterprises in the private and the public sectors, there is need for a single unit dealing with manpower resources which can assist all these agencies to solve their problems. Increasingly as the stages of planning develop, the problems of skilled manpower will emerge as major bottlenecks of our growth.

More action will, therefore, be necessary to improve present methods of recruitment and staffing, to assess and forecast manpower or personnel needs, and to develop better personnel data. And further it will be necessary to provide for the development of new personnel skills and coordination of the needs for such personnel between the various sectors of the national life.

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25. By April 1963, 520 persons were selected to the Scientists' Pool. 6,800 Indians abroad have registered in the National Register of Scientific Personnel.

## TRAINING FOR THE PUBLIC SERVICES

*V.K.N. Menon*

**B**EFORE INDEPENDENCE, apart from the arrangements which existed for the training, after recruitment, of the members of the Indian Civil Service, there was little of importance in the way of systematic or elaborate training for members of the civilian public services. The defence forces had, of course, their schools; but, whether for civilian services recruited on the basis of a professional education in a university, as, for example, engineers, doctors and agricultural personnel, or for the non-technical services, an elementary kind of probationary training on the job was considered sufficient, as a rule, institutional training for some semi-technical services in the latter category, as for Income Tax Officers, being an exception. An elaborate institutional and on-the-job training scheme for I.C.S. personnel, as an exception to the prevalent underestimate of the value of such training, was particularly noteworthy as a similar provision did not exist even for the provincial civil services, the generalist services next below the I.C.S. The reasons for the existence of training arrangements for new recruits to the I.C.S. are, however, clear. They go back to the need felt even in the days of the Company to give some training in Indian laws, languages and similar subjects to Britishers appointed to posts in India. It was thus that Wellesley organized a college for them at Fort William at the end of the eighteenth century, and, on its abolition, a new college was established at Hailebury (in England) in the first quarter of the nineteenth century. The latter college was abolished when the Covenanted Civil Service, recruited by nomination, was substituted, in 1853, by the new Indian Civil Service, based on a competitive examination, and a new institution was set up in London for a two years' training period, afterwards one year for those passing in England, before the new recruits went out to India. In the course of time, when Indians came to pass the examination in London, they too underwent the same training. This institution in London continued till the period of the Second World War, serving the same purpose also for candidates who, after 1919, came out of the examination held in India also, or were nominated to the service either from India or England to meet shortages or for other reasons. This training in England was followed by a period of training on the job (rather, a variety of jobs) in India.

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In India itself, during World War II, a Camp School was started in 1940 in Dehra Dun to train recruits to the I.C.S. as it was found difficult in conditions of war to send them to England. This continued till 1943, when recruitment stopped for the I.C.S.

After the War and the new Indian Administrative Service was organized, an I.A.S. Training School was set up under a part-time I.C.S. Principal in Delhi (Metcalf House) in 1947; a full-time Principal, also from the I.C.S., was appointed only in 1955. The first trainees in this School were either war-service or emergency recruits. The first batch of regular recruits joined the institution in 1949, having passed the new open competitive examination held for the first time in the previous year. The earlier courses in the School were held for varying periods, mainly because of the urgent need to fill the vacancies caused by the withdrawal, at Independence and Partition, of a large number of British and Pakistani officers of the I.C.S. For a short period a so-called I.A.S. Staff College also functioned at Simla, under the same Principal as the School at Delhi, but with its own Vice-Principal. This was meant for those who were recruited to the I.A.S. by the second special recruitment, mainly from the open market, but some also by promotion from the State services. Partly owing to their numbers, but also because they belonged to an older age-group than these who enter the services by a competitive examination, it was found difficult to provide them training in Metcalf House along with the others. To these Staff College courses, as a kind of refresher course, came also a few officers with six to ten years in service. Later the Principal of both the Schools was designated also as Director of Training in the Government; the intention was to give him general responsibility for all training in the Union Government, including refresher courses for officers with some years of service.

The next step was to merge the institutions at both Delhi and Simla in a National Academy of Administration with enlarged functions and locate it at Mussoorie in 1959, though the new and first course was given at Metcalf House itself early in the year. The most important innovation in the Academy was, and is, the provision for a common foundational course for the I.A.S. recruits as well as for those to the Indian foreign Service, the Indian Police Service and the Central Services. After this course, only the I.A.S. men continue in the Academy, the others proceed to complete their training in their own specialized institutions, or according to other arrangements as in the case of the Foreign Service. The Academy is intended also to provide higher courses for the Union services, conduct seminars, hold conferences, etc., all according to the idea that it is not enough to give young men

initial training for the services, but that this training as well as education must be regarded as something necessary throughout their career.

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As regards the foundational course itself, its introduction was based on two main considerations. First of all, it is important that all recruits to these important services should have a knowledge of the political, constitutional, economic and social context in which the administration functions; the earlier arrangements in Metcalfe House or in the specialized schools as for Income Tax, Audit and Accounts or the Railway Services, were not sufficiently comprehensive or intensive. And the new course was particularly necessary for the young men coming from the science faculties of the universities; the arts graduates themselves would not ordinarily have taken in their colleges all these social science subjects. Secondly, it is important that persons belonging to all these Services should have an initial common training; this would, to some extent, help to lessen service particularism and help towards the necessary cooperation of different services in the process of administration.

This Academy has now been in existence for over four years. The foundational course extends over five months and gradually, by now, all the dozen Central Services recruited on the basis of a common examination for the I.A.S., the I.F.S. and the I.P.S. also are sending their recruits to this course. But the refresher courses have been, so far, only few.

The second most important development in India since Independence in respect of training has been the establishment of the Administrative Staff College at Hyderabad in 1957. Thus it actually preceded the Academy though the Metcalfe House School was already in existence then. The Staff College was established on the initiative of the Central Government and with the active interest and cooperation of business and industry. The objective is the executive development of administrators, both from business and industry as well as from government, and together, at a point in their career when they are about to be promoted to positions of responsibility. The reason of a common course for men from both government and the private sector is, of course, that in the operations of a modern administration they have often to work in close cooperation; for persons from government this is particularly true of those in the public enterprises.

In consideration of the age-group (35-45) and the experience of the trainees, the course is mainly through the interchange and analysis of ideas and experiences and the method principally used is the syndicate method, though lectures, the case method and study tours are also used.

The syndicates have members of the Directing Staff attached to them and a research assistant is also available for the syndicates. About 40 persons attend a course and all have to be in residence. Each course lasts for three months and three such courses are held in a year. There is also a Review course for each group after a period of about 15 months. Much of the inspiration for the institution has come from the Administrative Staff College at Henley-on-Thames and the latter has helped in organizing its programme.

Among other developments in training mention has now to be made of the schools which have been set up in a number of States to train recruits to the upper levels of the State services. Before 1947 they did not exist in any State. But, beginning first with Bihar, they now exist also in Rajasthan, Orissa, Assam and Uttar Pradesh, though in the last the School has been temporarily suspended during the Emergency. In the other States such schools do not exist as yet, though in Maharashtra a decision has been taken to set up a Staff College for the State. One of the important recommendations of the V.T. Krishnamachari Report of 1962 on the Indian and State Administrative Services and Problems of District Administration was that all States should establish such institutions as early as possible. Such schools as exist have a syllabus which includes both general subjects as well as those pertaining more closely to administrative matters, with a state angle, though the former are not usually so elaborately dealt with as in the foundational course at the Mussoorie Academy.

The Indian Institute of Public Administration, established in 1953, has, especially since its School of Public Administration began in 1959, also been engaged to some extent in this training programme. To the School's Master's Diploma Course in Public Administration have been coming also young officers of the provincial services, sent on deputation by their Governments, especially from those States which do not have Training Schools of their own; junior officers from the Central Secretariat have also been taking the Course. Two years ago it conducted an initial four months' training course for new recruits to the Junior Officers' cadre of Hindustan Steel; and this year persons appointed to the New Delhi-Himachal Pradesh Service have been attending the first term's course at the School as a foundational course for them, an arrangement which is expected to continue. In addition, the School has been conducting short-term courses for officers of some years' experience, courses of a general character as for Cantonment and Home Ministry Officers or of a specialized kind as for junior Budget Officers. Currently an experiment is being conducted with a fortnightly evening Discussion Group for young Deputy Secretaries in the Central Government, each group consisting of 10-15 carefully

selected persons and continuing for about three months; a U.S. expert helping in conduct of the course has also been holding two or three days' conferences in some of the Institute's branches for groups of approximately the same character. For, rather with, senior officers, and others too, the Institute has held a number of Conferences at Delhi and through its Branches, on subjects like Problems of Public Enterprises, the Emerging Pattern of Rural Government, Improving City Government, Morale in the Public Services, and Innovation in Government. Lastly, mention may be made of the fact that the Institute is the recognized Training Centre for the Eastern Regional Organization for Public Administration, which has its Headquarters at Manila, and a two weeks' course on Central Assistance to Local Authorities, intended for about 20 officials from the region and engaged in local government, is being held this year at the Institute with UN and ECAFE assistance.

Among other recent developments in Training, one of the most important and extensive has been for Community Development and Panchayati Raj. For the training of officials engaged in them, from the highest to the lowest, there is a vast pyramid of institutions, training centres for village level workers, Gram Sevikas, Social Education Officers, Block Development Officers and others. There is also an apex institution at Mussoorie, the Central Institute for Research and Training in Community Development and Panchayati Raj, though this institution is more for orientation purposes through four weeks' courses, to which are also invited legislators, university teachers and others. The Union Ministry and the State ministries concerned have also conducted innumerable short-term courses all over the country for the non-officials involved in the movement like the elected members of the different levels of Panchayat Raj bodies. In the sphere of urban government, however, as distinct from that of rural government, very few training institutions exist, almost the only ones being those organized in Bombay and in some other cities, by the All-India Institute of Local Self-Government; the University of Nagpur is, among universities, the only one which gives the Diploma solely meant for officials of urban bodies.

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
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In what has been said above only some of the most important developments and trends in training since Independence have been referred to. Mention at least must be made also of the Secretariat Training School in Delhi; of Short-term courses of different kinds organized by some Union ministries; of the courses for statisticians held at the Indian Statistical Institute, (Calcutta); the much-extended provision than earlier for the training of cooperative personnel, mainly under the influence of the Reserve Bank of India; of the growing number

of many kinds of courses for business education and training under the auspices of universities, management associations and leading business firms themselves, including the new Institute of management at Calcutta and a similar one being organized at Ahmedabad; and of the establishment in 1960 of a National Defence College (now suspended because of the Emergency) as the apex institution of a great number of long-existing training schools for the Army, Navy and Air Force.

As regards the institutions themselves which have been mentioned in some detail, there are also some problems to which reference must be made now. In particular, while the courses seem to be more or less adequate in themselves, staffing has been difficult in many institutions. This has been so partly because the kind of staff required is often the rare class of persons with both an academic and an administrative background and, in so far as only one or the other experience is necessary, it has not been easy to attract them to these new institutions for a variety of reasons, whether from government or the universities. Community Development training schools have a problem of frequent changes of staff, who are posted to them from administrative positions in government. At the National Academy at Mussoorie, the numbers for the foundational course, now over 300, are a problem. It should be added that what was said just now about the courses being adequate in themselves means only that the contents of the existing courses seem to be adequate, in general, not that new types of courses are not necessary. A wide variety of refresher courses for middle management, as well as adequate opportunities for reflective education and study, for example, in universities in India or abroad, especially for persons in higher positions,—both of these do not exist to any considerable extent as yet. But there is, undoubtedly, a growing extent of self-examination of existing arrangements as well as an increasing awareness of the need for new types of education and training. In this connection it is noteworthy that two concrete and detailed proposals for an Agricultural Staff College and a Staff College for Health Administrators are under consideration by Government; a Committee has been set up to examine the question of a similar Staff College for local self-governing bodies in urban areas. A Committee on Training appointed by the Government of Rajasthan has for the first time in any State surveyed existing facilities in all departments and suggested elaborate and far-reaching reforms; the report was published this year and has been substantially accepted by Government. In all this there is not only some satisfaction with what has been accomplished during the last fifteen years but, even more, much hope for the future.





## ORGANIZATION & MANAGEMENT—THE CENTRE

R.N. Vasudeva

THE GENESIS of the O & M as a separate whole-time organization for paying continuous attention to the problems of organizational set-up and methods of work and building up an 'expertise' for improvement in efficiency of work dates back to the post-war period. In U.K., the basic idea of O & M, that there has to be an experienced person, not concerned with day-to-day work of an organization, to suggest improvements was accepted much earlier. Based on a realization of the importance of greater organization, a separate section known as the Treasury Investigating Section was created in 1919. The activities of this Section were limited to efficient use of new ranges of other machines and equipment and investigation of improvement of routine procedures in Departments. Subsequently, a Section with similar functions was developed in the Post Office. The outbreak of War in 1939 which threw up new tasks of great magnitude on Government Departments gave a new fillip to the development of the O & M work. The War Office set up a Section with O & M functions directly related to the War effort. On the purely civil side the old Treasury Investigating Section was considerably expanded and took on much broader functions than efficient use of machines and office equipment; so that in 1941 it came to be christened and established as a full-fledged *Organization and Methods Division*. Concurrently, O & M Units were set up in several other large departments of U.K. Government. The value of O & M work as an aid to Departments for solving problems of bottlenecks, procedural hold-up and other delays in transaction of their day-to-day business and improving standards of efficiency, was proved by its achievements during the War years. The testimony of expert committees which were appointed after the War to make an assessment of the work of this department, also confirmed this view and emphasized that the O & M should be strengthened and broadbased and the scope of its activities extended to cover problems of efficiency in the widest sense of the term in all Departments of Government. Thus in U.K., besides the O & M Division of the Treasury, almost all departments of Government including the Admiralty, the Air Ministry and the War Office, have their own O & M branches.

In India, the need for having a permanent organization charged with the responsibility of paying continuous attention to the improvement of efficiency in the administrative machinery was keenly felt

during the post-war years. During and after the War, all departments of Government and particularly the Central Secretariat passed through a stage of phenomenal expansion over a relatively short span of time. This led to considerable dilution of administrative talent, competence and training. The War ended in 1945, but normal conditions never returned. Independence came in 1947 to the accompaniment of partition and social convulsions, which threw open almost a floodgate of problems for the Services and administrative system of new India. The administrative machinery had been already put to severe strain during the War and the multiplicity of tasks which came in the wake of Independence gave rise to serious doubts about its capacities and competence. Besides, the Government of free India set to itself a new goal of all-out economic development of the country with a view to raising the standard of living of all inhabitants of the country. The net result of these developments was to increase the range and scope of responsibility and the work load of the national administration in a manner without precedent in history. It is against this background that considerable thought was given to the question of administrative reforms by a number of committees and experts from the year 1947 onwards.

In 1947, A.D. Gorwala recommended the setting up of a Directorate of Methods Organization and Training as an agency for improving the competence of young administrators. A year later, the Economy Committee spelt out this idea in a specific recommendation for the creation of a "separate organization to exercise strict control over the procedures and personnel of all Ministries with a view to find out whether officers at all levels were fully discharging the functions expected of them and to suggest improvements in the organizations and methods of work". In 1952, when the First Five Year Plan was published the problem of gearing up the capacity of administration to undertake new responsibilities accompanying the tasks of development outlined in the Plan particularly came for review. The Planning Commission observed, "so long as the magnitude of the Government's business was small and personnel for exercising supervision was available in adequate measure, it was possible to continue the traditional method of transacting business, but this situation no longer exists . . . We recommend that the Central Government should have an Organization and Methods Division which should work in close co-operation with the personnel sections in the different Ministries". Subsequently, in the year 1953, Paul H. Appleby in his famous survey of public administration in India emphasized the need for "establishment of a central office charged with the responsibility for giving both extensive and intensive leadership in respect of structures, management and procedures". In March 1954, the O & M Division came into existence

and was located in the Cabinet Secretariat. The rationale for this location is obvious. The Cabinet Secretariat apart from being a co-ordinating agency occupies a pivotal position. The Cabinet Secretary who is the head of the Secretariat is the senior most civil servant. It functions directly under the Prime Minister and is thus eminently suited to secure co-operation from all Ministries and integrate their individual efforts for administrative improvements into a concerted endeavour for raising the level of efficiency of the machinery of Government as a whole.

In 1957, the Special Reorganization Unit (SRU) of the Ministry of Finance, the object of which briefly is to estimate the requirements of staff on the basis of objective assessment of workloads, was also placed under the Director in charge of the O & M Division. The Committee on Plan Projects was set up in September 1956 by the National Development Council with a broad charter of investigation of various Plan Projects with a view to securing efficiency of execution and reduction of costs. Its *modus operandi* was to organize studies and investigations through specially selected teams on which several 'disciplines' were represented in the person of experts belonging to related subjects and departments. The main object of these comprehensive studies was to evolve suitable forms of organizations, methods and standards and techniques for achieving economy in the sense of optimum use of resources and getting maximum returns from the outlay in projects. Basically it is an O & M goal. It was, therefore, both logical and convenient that this organization was placed for administrative direction and control under the Joint Secretary in charge of SRU and Director, O & M Division. Ever since the three organizations have functioned as three wings of a single charge, concerned, primarily, with administrative analysis and research.

## II

From time to time an assessment of the work done by this triple organizational complex has been made. The latest resume of its work will be found in Prime Minister's statement of 22nd April, 1963, in the Lok Sabha on the measures taken by Government to tone up administration. Briefly, the O & M in India has successfully carried out programmes of studies into ways and means of scientific management of records, simplification of departmental rules, like the Public Works Account Code, of Reports, Returns and Statements compiled by governmental agencies and also the organized industries, work studies resulting in simplification of procedures and methods of work done in house-keeping sections in Ministries (which taken together represent nearly 30% of the Central Secretariat), studies of specific problems of inter-Ministerial import, like the requirements of clerical and

class IV personnel in the secretariat, worked out illustrative model patterns of delegation of financial and administrative powers at various levels of public sector undertakings to match authority with responsibility, which will speed up the decision-making process and eliminate delays inherent in the centralization of powers at top or rear-top levels. In the field of work studies of Ministries the Special Reorganization Unit has been instrumental in achieving sizable economies mostly by preventing expansion or proliferation of establishment up to certain levels and, to some extent, locating surplus staff.

During the last six years, the Committee on Plan Projects (COPP) has produced a number of reports on a wide range of projects such as social welfare and community development schemes, national water supply and sanitation schemes, multi-storeyed buildings, medical colleges and hospitals, industrial estates, townships of the public sector projects. These reports have been well received. By presenting norms and standards, evolved after detailed analysis of available data, the COPP reports have become guide books for planning. On the operational side, COPP reports have covered such live subjects as Production Planning, Inventory Management, Maintenance Planning and Control in several public undertakings, such as Hindustan Steel, State Transport Departments, Hindustan Cables, Hindustan Housing Factory. The findings and recommendations have, no doubt, led to substantial economies both in outlay as well as operational expenditure.

The question which has been frequently addressed to the writer of this article and other O & M workers is, "What is the net achievement of O & M? Has the organization realized the objective prescribed in its original charter?" In the foregoing paragraphs an attempt has been made to give some idea of the work done by the O & M and the other two allied Units, *viz.* the SRU and the COPP. Beyond this, it will be difficult to give a categorical answer to the question which is partly based on an oversimplified assumption, that the O & M is to initiate and sustain an all-out effort for administrative improvement in the work of government as a whole and the individual departments of government must necessarily concern themselves primarily with the performance of their essential tasks and programmes and get on with the job in hand. Obviously, no one department even if it were the sole repository of wisdom and 'expertise' on efficiency and good management can replace the self-improvement effort of individual departments, which must continually keep under review their own performance, the way their business is transacted from day-to-day, the difficulties or bottlenecks which come in the way of speed, economy and efficiency in the disposal of their work. The O & M Division can at best provide a specialized service by studying problems of common

interest to a number of different departments or by conducting comprehensive reviews. Within the organization, each Ministry, Department or executive agency must build up its own efficiency (O & M) unit and invest it with competence, responsibility and authority to study problems of administration and secure a whole-hearted acceptance of its carefully worked out conclusions and recommendations. That points to the basic weakness of the O & M organization in India. The importance of the O & M set-up in the departments has not been sufficiently realized. Those units have been manned generally by junior officers, often employed part-time on O & M work and for the rest on specific tasks of the Ministry. There has been a general lack of enthusiasm about the necessity and value of their work, with the result it is always the second best among the departmental officials who have been assigned to the O & M units. In June 1962, the Government of India took a bold step by delegating very large financial powers, which were hitherto centralized in the Ministry of Finance, in the matter of incurring expenditure on numerous important items, including works and staff within the framework of budgetary allotment. The scheme visualized setting up of internal work study cells by strengthening and extending the scope of activities of departmental O & M Units as an essential pre-requisite to efficient internal control and economy of expenditure by the Secretaries of the departments. The Central O & M Division was to assist the Ministries in converting their O & M Units into O & M-cum-Work Study cells by providing intensive training to their O & M staff in the technique and practice of work study. No significant progress in the setting up of internal work study cells or the training of the staff to man them has been made. Wherever a small beginning has been made, the O & M-cum-Work Study Unit has serious difficulties in resisting internal pressures, natural in the circumstances, which, however, create a conflict between objectivity and loyalty to the Department.

The main reason for this is neither the paucity of the staff, nor of training facilities but the attitude sometimes encountered at top levels of management, who do not always concede that degree of intellectual acceptance to the O & M technique as would be required for according high priority to O & M in the scheme of departmental activities. The basic concept of O & M is that efficiency and economy are ends, which warrant specialized investigation; a whole-time organization is necessary to study the problems of organizations and methods and advise the administrator or manager, in the light of these studies, with a view to enabling him to increase the efficiency of work by providing better service or reducing costs. This concept is still to gain whole-hearted acceptance at the higher levels of bureaucracy in the Central and State Governments.

This also explains the limitation of the real impact of the Central O & M Division. The O & M in India on the U.K. model is a service function. The O & M investigations have to be of necessity detailed and painstaking and for this reason time-consuming. Any proposals to change the existing procedures and organizations have to be discussed at the appropriate levels with the people who are responsible for doing the job in question. The recommendations are to be changed and modified, if discussions show that they will not work or contribute to the desired results. Whenever possible, the O & M Officer must try to reach an agreement as he goes along. At the end of the assignment, the recommendations of the study team are presented in the form of a formal report. It is then for the management or the head of administration to decide how far any changes proposed are acceptable, and if they are acceptable, to implement them. The O & M has, therefore, no means of securing acceptance or implementation of its recommendations, howsoever carefully worked out, tested and tried, for changes in procedures, methods or organizational structure. In fact, there are occasions where no definite reasons for not accepting obvious improvements have been given. The resistance is more pronounced when suggestions for changes impinge on the pattern of composition of staff or do not support the creation of extra posts demanded. Even when the implications are different, the O & M reports are examined leisurely. Where agreements are reached, implementation is delayed or abandoned. It is not unusual for a new O & M Officer to develop a sense of frustration, but with experience comes patience, persuasiveness, detachment and yet optimism which are among the necessary equipment of O & M workers.

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In August 1961, a decision of great importance was taken to constitute a high level Committee on Administration consisting of Cabinet Secretary and a few other senior officers "which will have continuous responsibility of promoting administrative efficiency". While the responsibility for administrative improvements was to continue to vest in the Ministry or Department itself, the Committee was to provide a standing machinery for locating administrative deficiencies, facilitate decision for their removal and assist in securing speedy action on their decisions and implementation of decisions of Government taken from time to time for raising administrative efficiency and standards of performance. Further, the Committee was to resolve, when necessary, points of difference between the administrative Ministries and the Special Reorganization Unit in regard to matters arising out of work studies carried out by that Unit. In the States also, it was proposed that there should be similar Committees on administration which would

include the Chief Secretary and a group of senior officials and keep under review questions relating to administrative improvements in State Governments and take bold decisions to be implemented under their prestige and authority by all concerned. It is unfortunate that at the Centre, partly for reasons connected with the emergency, the Committee on Administration has not been able to meet frequently and devote as much time and attention as was originally envisaged, and at the State level except in a few States such Committees have not yet come into existence.

The institution and the functions of the Committee on Administration or any other similar high-powered body are, in the author's opinion, necessary to remedy the inadequacy of the O & M which are inherent in its advisory character. If full value of O & M is to be realized and the organization is to be made an effective instrument for progressively achieving administrative improvement, it will be necessary to involve the Committee more actively in the matter of securing implementation of major decisions relating to organizational structures and methods of work and of important recommendations of the Special Reorganization Unit on staffing economies.


### III

Problems of administration in India are both complex and varied. With the increasing range of activities of Government in diverse fields, the need for achieving optimum efficiency and reducing costs of Government organizations has acquired great urgency, because the success of development plans depends as much on the competence of administrative organizations of the Central and the State Governments to complete the projected task as on their ability to get full value for the money spent. If in this context the O & M is to play a useful role and make a significant contribution, its work should not be restricted merely to matters of office procedures and methods. The O & M should be suitably equipped to consider analytically questions of organizations and structures of departments and Ministries and be permitted to offer advice at the highest levels of Government. The charter of duties of O & M in India would require further elaboration on the lines of the development of the service in U.S.A. The O & M, in that country, significantly stands for Organization & Management (as against Methods) and is designed and constituted to perform comprehensive functions. Both the Central Management Division, which is a part of the Bureau of the Budget, and the dispersed O & M Units, located in various agencies and departments, are associated with the top management levels. The impact of this work can be gauged from such well known

examples as the work study by Hoelscher, Deputy Controller of U.S. Defence which resulted in the reorganization of the U.S. Army.

Administrative efficiency is not merely a matter of mechanical procedures, job descriptions, flow charts and standardized economies. These are but minor gadgets. Real efficiency goes much deeper down. It must be built into the structure of Government. This will be secured, in the first instance, by selection and placement of the right type of personnel which involves policies of recruitment, promotion and transfer. Departmental training programmes have to be devised and continually reinforced to foster professional competence. But, over and above this, what is needed is a comprehensive educational effort of a more fundamental type, the aim of which will be to motivate, change, and reinforce attitudes of participants in administration at all levels, not excluding the top supervisory officials.

The environments and conditions of work have considerably altered as a result of social and economic revolution which started with the dawn of Independence and the radical changes in the goal and objectives of Government. The success of even experienced civil servants in the new milieu depends a great deal on their capacity to make adjustments and re-orientate their outlook to work, service cadres, personnel and the needs of community in a developing economy. For example, in relation to the man in the street, who has to wait upon the administration to get his due in several fields, the civil servant particularly needs to develop a sensitivity to injustice and to demoralization spread by endemic delays. This requires conscious awareness of the social purpose and programme of community relations, knowledge of modern management practices and understanding of the principles and techniques of harmonious team work, group effort and management of personnel. All civil servants cannot be expected to develop the awareness and insights automatically over a period of time in the course of experience of work in various assignments. The O & M should be equipped and strengthened to become the agency for organizing a broad-based educational programme in this direction to meet the requirements of Civil Servants at all levels.





## CHANGES IN CENTRAL MINISTRIES AND DEPARTMENTS SINCE INDEPENDENCE

*N. Srinivasan*

INDEPENDENT INDIA took over intact and in good shape an instrument of government fashioned by the British for the purpose of ruling over a subject country. There is a vital difference between the purposes of the Government of India under British rule and of independent India under its own national leadership. India has adopted a system of parliamentary responsible government, and has given it a federal form. She has also set before herself the goal of speedy achievement of a socialist pattern of society through a system of national economic planning. In different ways these affect the tasks of the Central Government; while democratic pressures compel it to expand its activities, the federal system limits its competence and creates problems in inter-governmental relationships. The relative weakness of the State Governments and the paucity of leadership in them also place greater responsibilities on the Central Government. The major administrative problem has been to reconstruct the machinery of government to serve the needs of a welfare state under a system of parliamentary responsible government, and to make it at the same time a more efficient instrument of Government. The changes that have taken place in the Central Ministries and Departments since Independence have aimed at such a reconstruction. The object of this article is briefly to survey these changes. Attention has been focussed only on structural changes and not on procedural ones.

### II

The nature of this problem of governmental reconstruction in India is determined in part by the characteristics of the old system. It is necessary therefore briefly to touch upon them. The machinery of government in India had evolved slowly over a long period in response to the needs of a colonial government and until the Reforms of 1919 was essentially a regulatory, policing and taxing mechanism. Though it had undertaken such welfare and developmental functions as education, public works and the encouragement of indigenous industries, since the beginning of the present century, its character as a foreign and colonial government was not fundamentally altered. There was relatively little expansion in its size and few structural changes in its machinery during a century and half. It was a small highly centralized

and compact organization for the supervision, control and direction of the different provincial administrations in the country and for the conduct of the external affairs and defence.

The relatively static character of the machinery of government in India over long periods could be seen from the following. At the close of the eighteenth century the supreme government consisted of a Governor-General and three Councillors and the Secretariat, of four departments: Public (including commercial), Secret (Political and Foreign), Revenue, Judicial and Military departments. Each of them was under a Secretary, and there was a Chief Secretary in overall control of them. After more than a century, on the eve of the Minto-Morley Reforms, the Governor-General's Council consisted of the Governor-General and five members and the Secretariat consisted of nine departments: namely, Home, Foreign, Military, Finance, Public Works, Legislative, Revenue and Agriculture, Commerce and Industry, Army and Military Supply. There were six members of the Council for the nine departments. On the eve of the Montford Reforms in 1919 the Government of India still had only nine departments: Army, Foreign and Political, Finance, Home, Legislative, Education, Commerce and Industries, Revenue and Agriculture, and P.W.D. There was, however, an additional member in the Governor-General's Council, making its strength seven. At the outbreak of the Second World War in 1939, the strength of the Council was still only seven and the number of Secretariat Departments nine, but some of them appeared under different names. These were: Defence, External Affairs, Finance, Home, Legislative, Education, Health and Lands, Commerce, Labour, and Communications. The Governor-General held the portfolio of Foreign and Political Affairs, and had besides a Secretariat (Public) and a Secretariat (Reforms). The Railway Board and the Imperial Council of Agriculture Research remained outside the regular Secretariat. The higher staff of the Secretariat numbered just over fifty officers. Departmental organization was simple with a clear line of authority running down from the Secretary through a Deputy Secretary and Under or Assistant Secretary to the subordinate staff. Each Department constituted a manageable charge for a Secretary and dealt with closely related business. The Secretary's control over the Department was undivided and he was solely responsible for its efficient functioning.

The functions of the Central Government before the Reforms of 1919 were supervisory rather than executive and its concern was essentially with policy formulation. The implementation of policy laid down by the Secretary of State and the Central Government was largely

the responsibility of Provincial administrations.<sup>1</sup> This, however, changed with the Reforms of 1919 which devolved a number of functions on the Provincial administrations. As the Maxwell Committee points out: "With the Reforms of 1920, the line of demarcation between Centre and Provinces became, to a considerable extent, a vertical one. . . Instead of policy resting with the Centre and administration with the Provinces, large steps were taken towards a position where both the Centre and the Provinces were responsible for both policy and administration, but in different parts of the field (of governmental activity)." The division of work between the Centre and the States has now become vertical, in large measures than before."<sup>2</sup> This trend has been further strengthened by the adoption of a federal system of government by the Government of India Act of 1935 and the new Constitution. The responsibilities of the Government of India today extend to the executive action in an ever-expanding field of governmental activity, besides the formulation of policy.

A second point that should be noticed is that before the Reforms of 1919 most of its work emanated from outside. Writing in 1919, the Llewellyn Smith Committee observed: "The business performed by the Civil Departments of the Government of India Secretariat consist at present mainly of the disposal of cases coming to them from without rather than initiated from within, and a large proportion of these cases originate in a Provincial Government. . . On an average nine out of ten cases dealt with in any given Department come to it from outside and out of these nine at least five emanate from a Provincial Government. The tendency appears to be for the Secretariat of the Government of India to become less an organ of direct executive action and initiative and more a tribunal of reference and general supervision."<sup>3</sup> One of the main characteristics of the Central Secretariat was a consequence of this. Having mainly to deal with work coming to it from outside, "the Civil departments developed a type of organization much more suited to criticism than for direct initiative." This also has changed in recent years, more particularly, since Independence and the greater part of its work is initiated from within. Over many fields of governmental activity the Central Government has to take the

1. See the following observations made by the Maxwell Committee: "The line separating the work of the Central and Provincial Governments was...a horizontal one. The spheres peculiar to either were unimportant, and over the bulk of the field both exercised responsibility. In general, policy lay with the Central Government and administration with the local governments, but the former was the official superior of the latter in all subjects. It was a Government of the Governments in India rather than a Government of India as it directed and supervised the work of the other Governments and administrations." Maxwell Committee Report on Organization and Procedure, para 45.

2. *Ibid.*, para 46.

3. Report of the Llewellyn Smith Committee, para 53.

initiative especially in relation to economic and social development and advise the State Governments, and encourage and persuade them to action. It has also directly to undertake executive work over wide fields.

Before Independence, the staffing pattern of the Government of India and Secretariat procedure were also determined by its foreign composition and limited functions. The higher officials of the Secretariat were drawn from the senior ranks of the Indian Civil Service from the Provinces for short periods on the tenure system. This was both a source of strength as well as weakness. Its strength lay in the fact that it brought to the consideration of problems an essential experience of actual government, in the field, and its weakness in the fact that it militated against continuity in policy. Continuity was sought to be assured by the office, which consisted of the subordinate staff employed on a permanent footing in the Centre and by the system of elaborate office 'note' and printed records.

With the outbreak of the Second World War, there began the period of expansion and change in the machinery of the Central Government in India. The strength of the Governor-General's Council was increased from seven to 14 in 1942 largely to find places for Indian leaders on it and to associate them in the conduct of the war. The nine peace-time Secretariat Departments were split into no less than nineteen as shown below:

1939	1945
1. Defence	{ 1. War
	{ 2. Defence
2. External Affairs	External Affairs
3. Finance	Finance
4. Home	{ 1. Civil Defence
	{ 2. Home
	{ 3. Information & Broadcasting
5. Legislative	Legislative
6. Education, Health and Lands	{ 1. Commonwealth Relations
	{ 2. Agriculture
	{ 3. Health
	{ 4. Education
7. Commerce	{ 1. Supply
	{ 2. Food
	{ 3. Industries & Civil Supplies
	{ 4. Commerce
8. Labour	Labour
9. Communications	{ 1. War Transport
	{ 2. Ports and Air

A new Department viz. the Planning and Development Department was set up to deal with problems of post-war reconstruction.

There was a fourfold increase in the staff of the Central Secretariat both in the officer cadres and subordinate grades by the end of the War. The officers' cadre numbered over 200 which among others included 19 Secretaries, six Additional Secretaries, 26 Joint Secretaries, 51 Deputy Secretaries, 42 Under Secretaries, and 61 Assistant Secretaries. The officer cadres were not exclusively drawn from the Indian Civil Service as before the War and their quality had deteriorated.

Shortly after the War, the reorganization of the Government and the Secretariat to suit peace time requirements, the staffing pattern in the Secretariat and the improvement of office procedure were the subject of an enquiry by Richard Tottenham (1945-46). The report (Tottenham) recommended a slight reduction in the size of the Governor-General's Executive Council, a comprehensive reorganization of the Secretariat in a number of primary units and their grouping in manageable and homogeneous Departments, each under a Secretary, making the work of the Secretariat purely Secretarial, the strengthening of the officers' cadres of the secretariat, and improvements in office procedure. The proposals of the report could not be implemented because of the great political changes that supervened during the immediate post-war years and the question of readjusting of the machinery of government to peace time conditions was left over to the successor Government.

### III

The machinery of Government taken over by the first national government in 1946 was substantially the same as the War time machinery, except that the purely War time departments like Civil Defence and War Transport had ceased to exist. On the achievement of Independence, new ministries were set up to deal with the problem of States, and the rehabilitation of refugees from Pakistan both of which were immediate and pressing problems of sufficient importance to need separate ministries to handle them. The Ministry of External Affairs and Commonwealth Relations was virtually a new ministry and was a natural concomitant of the new political status of the country. The Ministry of Works, Mines and Power, also a new creation, combined important economic functions with certain common services. The Ministries of the Government of India in August 1947 were as follows : (1) External Affairs & Commonwealth Relations, (2) Home, (3) States, (4) Information & Broadcasting, (5) Food, (6) Agriculture, (7) Education, (8) Railways, (9) Transport, (10) Defence, (11) Labour, (12) Commerce, (13) Communications, (14) Health,

(15) Law, (16) Finance, (17) Industries & Supplies, (18) Works, Mines & Power, and (19) Relief and Rehabilitation.

The first national government of India, in spite of its preoccupation with this problem arising out of the partition of the country and constitution-making, lost no time and authorized the Minister without portfolio, N. Gopalaswami Ayyangar, to enquire and report on the reform of the machinery of government. The improvement of the machinery of government has been a constant concern of the Government of India as well as Parliament since 1947, as numerous enquiries and reports on the subject since 1947 made on the initiative of the Government<sup>4</sup> and the Reports<sup>5</sup> of the Estimates and Public Accounts Committees of Parliament testify. There are few aspects of administrative organization and procedure which have not been investigated in these Reports. A number of Committees of the Cabinet were also set up to consider the problem.

The Gopalaswami Ayyangar Report (1949) presented a comprehensive plan for the reorganization of the Cabinet, the Departments of the Secretariat, and Secretariat procedures. In Ayyangar's view the major defects of the existing machinery of government were, "an insufficient coordination in the framing of policies, and inadequate speed and efficiency in the execution." The remedies were to be sought in three directions: organizational changes, improved personnel policies, and improvements in the methods of transaction of governmental business. The specific recommendations of the Report included an elaborate scheme for the reorganization of the Secretariat Departments in thirty seven administrative units (28 functional departments, eight administrative offices for common services, and a Cabinet

4. The reports of N. Gopalaswami Ayyangar (1949), of the Economy Committee (Kasturbhai Lalbhai) (1949), of R.A. Gopalaswami on the Improvement of Efficiency (1950), the two reports of A.D. Gorwala (1951) and of Appleby (1953 and 1956) and of V.T. Krishnamachari (1962).

5. Among the reports of the Estimates and Public Accounts Committees a selection is difficult as there is hardly a report of these Committees that does not contain some suggestion for reform of the administrative machinery and procedure dealt with. Some of the Reports of the Estimates Committee that may be mentioned specially are:

(1) The Second Report on Reorganization of the Secretariat and the Departments of the Government of India (1950-51), and the Thirty-Sixth (follow-up) Report (1956)

(2) The Ninth Report on Administrative, Financial and other reforms (1953-54), and the Fifty-Seventh Report (follow-up) (1956-57).

(3) The Sixteenth Report (1954-55) on Organization and Administration of Nationalized Undertakings and the Seventy-third and Eightieth Reports (1959-60) relating to Public Enterprises.

(4) The Twentieth and Sixtieth Reports on Budgetary Reforms (1958-59).

(5) The Fifty-fifth Report (1958-59) and One Hundred and Eighteenth (follow-up) Report (1960-61) on the Ministry of Finance.

(6) Third and Eighth Reports of the Public Accounts Committee on Exchequer Control and Budget Estimates, etc. (1952-53 and 1957-58).

To this formidable list—which is far from complete—may be added the chapters of the three Five Year Plans dealing with administrative reform.

Secretariat); a re-arrangement of the Departments in twenty ministries, a grouping of the economic ministries in bureaux, and a strengthening of the Cabinet through a system of standing committees. The recommendations also covered the internal organization of the Secretariat Departments as well as secretarial procedure.

The immediate impact of the Report on administrative reforms was slight. There was no general overhaul of the machine as suggested in the Report. A comprehensive reorganization of the departments of the Secretariat as envisaged in the Report was too large and complex to be carried out in a short period. The recommendations in regard to the Cabinet were not politically feasible and were shelved. The procedural changes recommended by the Report were generally accepted, but their implementation had been tardy and far from complete.

The reconstruction of the machinery of government which has been actually carried out has been piecemeal, conservative and experimental. A major reorganization of the Central Ministries has been undertaken on the occasion of the formation of every new government since Independence as in 1950, 1952, 1957, and 1962. Changes of a minor character have also been effected on other occasions. Such reorganization has been carried out partly for political reasons, and partly with a view to securing administrative efficiency and economy and for dealing with special problems. Taken together, the reorganizations carried out amount to almost a total reconstruction of the machinery of Central Government. This will be evident from the present organization of the Central Ministries, Departments, Secretariats, and Offices given in the *Annexure*.

The reorganization of 1950 affected the Ministries of Commerce, Industry and Supply; Works, Mines and Power, and the Department of Scientific Research and was affected by a reallocation of functions among three new Ministries which were created in their place: the Ministry of Commerce and Industry, Works, Production and Supply, and Natural Resources and Scientific Research.

In 1952 the Ministry of Irrigation and Power and the Ministry of Production were newly created, the former to give a fillip to the development of irrigation and power by undertaking multi-purpose river valley projects as envisaged in the First Five Year Plan and the latter to take charge of industrial undertakings in the public sector. With the creation of a separate Ministry of Steel in 1955, "in view of the importance of developing and expanding the iron and steel industry", the functions of the Production Ministry were reduced and the Ministry was wound up in 1957. The experiment of a Production Ministry was a failure

due to the reluctance of the older ministries to give up their powers in the management of different public enterprises. But the Irrigation and Power and Steel Ministries have been successful organizations for the purposes for which they were constituted.

The changes carried out in 1957 affected the Ministry of Production, National Resources and Scientific Research. Their work was transferred to the Ministries of Commerce and Industry, Education and Scientific Research and Steel and Mines. The Ministry of Labour became the Ministry of Labour and Employment.

The changes of 1962 were fewer. The Ministry of Steel became the Ministry of Steel and Heavy Industries with the transfer of the latter Department from the Ministry of Commerce and Industry. The creation of the Department of Defence Production (1962) and of Atomic Energy (1962) and of a Department of Parliamentary Affairs are among the more important structural changes of the period.

Changes during the period affecting some of the other Ministries like Food and Agriculture, Industry and Supply, Works, Mines and Power, Commerce and Industry, were clearly of an experimental character. The separate Ministries of Food and Agriculture were amalgamated in 1951, separated in 1955, but were again amalgamated in 1955. The Ministry of Commerce and Industry has undergone several transformations during this period and the latest is its division into the Ministries of Industry and International Trade. The Department of Company Law Administration which had been created in the Ministry of Finance earlier, was later transferred to the Ministry of Commerce and Industry and has recently been placed in the newly created Ministry of Industry. The Ministries of Education, Natural Resources and Scientific Research have also been subjected to frequent changes. These changes could hardly be justified on grounds of efficiency or economy.

One of the major additions to the Government since 1947 is the Ministry of Community Development and Cooperation. The Community Projects Administration came into existence in 1952 as a wing of the Planning Commission. It was later elevated to the status of a full fledged ministry in 1956. The Ministry is rather unique in that every one of its functions falls within the purview of old and established Ministries in the Centre. Its only base is an idea—the integration of different services for rural development.

The creation of a Ministry of Economic and Defence Coordination in 1962 in the emergency caused by the Chinese invasion is an interesting innovation. It has few administrative functions except those dealt with by the Department of Supply which has been placed under it. In a cabinet system the Prime Minister himself is necessarily



the principal coordinating authority and the Cabinet collectively is the final arbiter of policy in matters under dispute between different ministries. Whether a Ministry of Coordination without any specific administrative functions can effectively coordinate the activities of different ministries functioning under senior Cabinet Ministers remains to be seen.

The changes in the Central Ministries referred to above are not the only or the most important changes. The setting up of a Planning Commission is the most important event in the recent administrative history of India. The composition of the Commission is in part political and in part expert and its principal function is 'to formulate plans for the most effective and balanced utilization of the country's resources.' Its role was conceived as advisory; in practice the Commission has to play an active role in the formulation of policy at the highest level. This has been rendered possible by its membership. The Prime Minister is its chairman, and the Ministers of Finance, Planning and Economic and Defence Coordination are among its members and its permanent members attend meetings of the Cabinet and all important economic questions arising on the ministries are referred to it. It is this close liaison between the Planning Commission and the Cabinet, and inter-linking of their personnel that give the body its peculiar authority and entitles it to be regarded as an economic cabinet for the country as a whole.

The staffing pattern in the Secretariat has been markedly affected, and there has been an enormous increase in the numbers employed in the Central Secretariat and its attached and subordinate offices. Before 1947 the Secretariat was small. The higher positions were filled by members of the Indian Civil Service on the tenure system from the Provinces or by officers belonging to the "Pool". This has largely broken down. The higher officers at the Secretariat are now more or less permanent and are drawn from the "Central Administrative Pool" though they are shifted from one ministry to another or sent out to the public sector industries or missions abroad. At the intermediate and lower levels the arrangements for staffing the Secretariat have been reorganized and reinforced and the technical ministries have formed cadres of their own, e.g. educational advisers of the ministry of education, the Indian Foreign Service in the Ministry of External Affairs.

A Central Secretariat Service has been constituted and a Central Scientific Pool established. Training facilities have been newly created or both for the upper and lower levels of the Civil Services by the establishment of National Academy of Administration, the Central Secretariat Training School, etc.

In the field of employee relations, Staff Councils have been organized in the different ministries. These have, however, failed to create any enthusiasm among the lower staff and need to be reformed.

The increase in numbers in the Secretariat both in the officer cadres and in the subordinate grades since 1947 has been phenomenal. The increase in the officer cadres is as shown below.

Cadres	1939	1945	1950	1958	1963
Secretaries, Additional Secretaries, Joint Secretaries ..	17	51	76	100	114
Deputy Secretaries ..	12	51	101	180	190
Under/Asstt. Secretaries	20	103	250	460	Not available.

The increase in the lower staff has been equally great. It has been said that this increase has been far higher than the increase in work and has further meant a deterioration in quality.

Reference should be made here to two other institutional developments. During the period there has been an enormous increase in the number of attached and subordinate offices. There were hardly a score of them in 1947. There are at present over 70 attached offices in different ministries. Subordinate offices are executive agencies of the ministries while attached offices are responsible for providing the executive direction for the implementation of the policies laid down by the ministries and further provide technical advice to the ministries. Some of the Attached Offices which have come to play an important role are: Central Water and Power Commission; the Indian Council of Agricultural Research; the Research, Designs and Standards Organization (Railways); the Directorate-General of Civil Aviation; the Directorate-General of Employment and Training (1945); etc. The growth of these offices is an indication of the increasing function of the Central Government which requires technical advice.

The increase in the number of advisory bodies has also been remarkable. There were about a dozen advisory bodies in 1947. Today they number 528. Advisory bodies are an important device in modern government to secure expert advice and to shape the action of government to the requirements of interested parties and to make sure of their consent to it in advance. The utility of advisory bodies depends very much on their composition and the respect with which their recommendations are treated by the Government. The advisory committees existing with Government of India are mostly nominated

bodies. They meet infrequently and it would seem that their influence on the policies of the Government is little. By and large these bodies would appear to be ineffective and are more of a facade than efficient tools of government.

#### IV

The major characteristics of the changes in the machinery of government since Independence appear to be :

- (1) The Government's concern for the improvement of the machinery of government since Independence has been both genuine and persistent.
- (2) The changes in the constitution of the different ministries of the government carried out piecemeal at different times have cumulatively resulted in a total reconstruction of the machinery of government at the Centre. As a result the ministries and departments of Government of India have become to a great extent homogeneous and deal in the main with closely related blocks of work.
- (3) The scope of the functions of Government has expanded and the Government has grown to meet new needs. The number of ministries, departments and other central agencies has vastly increased. The increase has been mainly in the ministries functioning in the field of economic development. But there has also been enormous growth of attached and subordinate offices as well as advisory bodies.
- (4) The increase in the staff of the Central Government has been excessive in relation to the increase in the work of the Government and has meant a large increase in civil expenditure as well as a deterioration in quality.
- (5) In contrast with the years before 1947, most of the work of the Secretariat today emanates in the ministries themselves. The Central Ministries have taken the initiative in many fields, and are attempting to coordinate the activities of State Governments. This is especially the case in the matter of economic development and social services like food and agriculture, education, health and community development. In the latter field the initiative of the Central Government departments is hardly reconcilable with the autonomy of the States under the Constitution.
- (6) In the realm of personnel administration the problems arising from the staffing of a growing secretariat with officers drawn from the States has not been solved in a satisfactory way.

ANNEXURE

Ministries, Departments, Secretariats and Offices

*As in August 1963*

*Ministries*

1. Ministry of Community Development, Panchayati Raj and Cooperation.  
(i) Department of Community Development  
(ii) Department of Cooperation
2. Ministry of Defence  
(i) Ministry of Defence  
(ii) Department of Defence Production
3. Ministry of Economic & Defence Coordination  
(i) Department of Supply  
(ii) Department of Coordination  
(iii) Department of Technical Development
4. Ministry of Education
5. Ministry of External Affairs
6. Ministry of Finance  
(i) Department of Economic Affairs  
(ii) Department of Expenditure  
(iii) Department of Revenue
7. Ministry of Food & Agriculture  
(i) Department of Food  
(ii) Department of Agriculture
8. Ministry of Health
9. Ministry of Home Affairs
10. Ministry of Industry  
(i) Department of Industry  
(ii) Department of Company Law Administration
11. Ministry of Information & Broadcasting
12. Ministry of International Trade
13. Ministry of Irrigation & Power
14. Ministry of Labour & Employment
15. Ministry of Law  
(i) Department of Legal Affairs  
(ii) Legislative Department
16. Ministry of Mines & Fuel
17. Ministry of Railways (Railway Board)
18. Ministry of Scientific Research & Cultural Affairs
19. Ministry of Steel & Heavy Industries  
(i) Department of Iron & Steel  
(ii) Department of Heavy Industries
20. Ministry of Transport & Communications  
(i) Department of Communications & Civil Aviation  
(ii) Department of Transport
21. Ministry of Works, Housing & Rehabilitation  
(i) Department of Works & Housing  
(ii) Department of Rehabilitation

*Departments, Secretariats, and Offices*

1. Department of Atomic Energy
2. Department of Parliamentary Affairs
3. Cabinet Secretariat  
(i) Department of Cabinet Affairs  
(ii) Department of Statistics
4. President's Secretariat
5. Prime Minister's Secretariat
6. Vice-President's Secretariat
7. Planning Commission
8. Rajya Sabha Secretariat
9. Lok Sabha Secretariat

## EVOLVING PATTERN IN THE ORGANIZATION AND ADMINISTRATION OF PUBLIC ENTERPRISES

*H. K. Paranjape*

**T**HE GOVERNMENT OF INDIA inherited a public sector of significant magnitude at the time of Independence. The Railways, the Posts and Telegraphs (including the telephone systems), the All India Radio, the Hindustan Aircraft and a number of ordnance factories were already owned and managed by the Government of India in 1947. As a result of the policies adopted by the Government of India in the Second World War period, projects for the production of locomotives, telephones and fertilizers had been taken up and some progress had been made by 1947 regarding their execution.

As a result of the increased emphasis on economic development after Independence and the acceptance of the idea of direct state participation in the development process, a number of new projects in the irrigation, power, public utilities and manufacturing fields were taken up by Government in the period immediately after Independence. This process was further accentuated with the setting up of the Planning Commission and formulation of the First Five Year Plan. The adoption by Government in 1954 of "a socialistic pattern of society" as the objective of its economic policy, and the increased emphasis on industrialization in the Second Five Year Plan resulted in an even larger number of projects for developing new industries being established in the public sector. Thus, public sector units have been established on an increasing scale in industries like steel, heavy machine building, metallurgy, non-ferrous metals, coal mines, telephones, cables and teleprinters, fertilizers, heavy electricals, chemicals, drugs and pharmaceuticals, insecticides, electronics and similar other new and basic industries. The Government also took over some private sector units which were vital for the country's economic development but which could not progress sufficiently under private auspices. Such industries included shipbuilding and air transport. Government also took over some important financial institutions for the purpose of more effectively pursuing its economic policy, the most important amongst these being the Reserve Bank of India, the Imperial Bank of India and life insurance companies. It also set up a number of financial institutions for providing development finance to different sectors of the economy, a state trading organization (the State Trading Corporation) for the purpose mainly of carrying on trade with communist countries and a Shipping

Corporation for the purpose of increasing the tonnage for carrying India's ocean borne trade.

For effectively participating in the vast construction activities that were being undertaken in the country as a result of the development plans, two construction organizations—the National Projects Construction Corporation and the National Buildings Construction Corporation—were also set up. As a result of all these developments, enterprises owned and controlled by the Government of India have come to constitute a large and significant part of the national economy.

### *Form of Organization*

In the years immediately after Independence, there seemed to be a growing acceptance of the 'public corporation' as the appropriate form of organization for public sector undertakings. The Reserve Bank, the Damodar Valley Corporation, the Industrial Finance Corporation and the Air Corporations are examples of the policy in this period. However, even at that time, there was no inclination to establish corporations for managing concerns which were already working as departments of Government. The Indian Railway Enquiry Committee (1947) had suggested that the question of establishing a public corporation for the management of the railways should be taken up after a few years; but the Government was not very much inclined to do so. The same was true about the All India Radio, the Posts and Telegraphs and the defence production units. It was felt that where departmental organizations had been functioning for long, it was not necessary to convert their form to a corporate one. At the most, a special departmental set-up may be arranged to facilitate their smooth functioning. The Railway Board was already a separate organization for managing the Railways with almost full powers of management. Similar organizations were set up later for the management of the P. & T. and the defence production units. No changeover to the corporate pattern was considered necessary.

As the Government began to take up projects in the mining and manufacturing field, there were some misgivings about whether the "public corporation" was the most suitable form of organization for these. It was felt that with the large number of units that would be set up, it would be difficult to find parliamentary time to pass the necessary legislation. Moreover, a statutory corporation would not be a flexible enough form of organization when the Government was entering this field newly and where many changes may be found to be necessary as experience was gained. The public corporation form had been adopted for public utilities and major financial institutions, especially where some degree of monopoly was inevitable. But it was

felt that this was not necessary in the case of mining and manufacturing units. The troublesome problems that arose in the case of the Damodar Valley Corporation and, to some extent, the Industrial Finance Corporation<sup>1</sup> might also have influenced Government's thinking. It is notable that since 1951-52 the form of the statutory corporation has been adopted only in a few of the new public undertakings, viz., the State Bank of India, the Life Insurance Corporation and the Central Warehousing Corporation.

The company form of organization was already in use due to historical reasons in the case of a few State undertakings like Hindustan Aircraft. As Government began to think of a suitable form of organization for the new and rapidly expanding undertakings in the mining and manufacturing fields, this form of organization seems to have appealed to the policy-makers for a number of reasons. The form was already well-known, it had been in existence in the private sector for long, its legal terminology, etc. was already well-defined and it was not necessary to build up a new system which could lead to controversies and possibly various legal difficulties. Moreover, with Government as the sole or predominant shareholder, the form offered sufficient flexibility for bringing about any changes in organization that might be necessary as experience was gained. The possibility of a conflict between the top management and the Government which, as the D.V.C.'s experience indicated, could be quite significant and embarrassing, could be minimized in the company form. Where partnership with private business concerns, Indian or foreign, was found to be necessary, this could be arranged and also when necessary modified more conveniently in the company form. For all these reasons, the Government seems to have decided to adopt the company form of organization for the bulk of the newly set up undertakings. Sindri Fertilizers and Indian Telephone Industries were the earliest to be set up under this form of organization and the number of enterprises set up under Government-owned companies has been rapidly increasing since then. Thus by the end of 1962, while the number of departmental undertakings had remained constant at four (except that the number and complexity of defence production units had increased) and there were only eight statutory corporations, all in the finance and public utilities field, the number of companies exclusively or principally owned and managed by the Government of India had increased beyond 50.

The company form of organization was criticised on various grounds by Members of Parliament, by the Estimates Committee and

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1. See Reports of the Damodar Valley Corporation Enquiry Committee (1952-53) and the Industrial Finance Corporation Enquiry Committee (1952).

by the Comptroller and Auditor-General. The last authority even went to the extent of calling this "a fraud on the constitution". In addition to the doctrinaire approach that the "public corporation" was the only proper form of organizing State undertakings, the main point of this criticism was that there was not enough accountability to Parliament of enterprises organized in this way. There was some truth in this criticism and a special provision was included in the revised Companies Act (1956) to take care of this problem. As a result of this, this form of organization is no longer subjected to much criticism and it seems now to be generally accepted that it serves the purpose well enough. The Government's own view on this subject was recently stated as follows: "Government consider that the form of management of the undertakings should be determined by the requirements of each case. Accordingly, from the point of view of flexibility of operations, the company form of management would be preferable. In some instances, it would be necessary to form statutory corporations while in a few others, for various reasons, it would be desirable to run the undertakings as departmental organizations".<sup>2</sup>

### *Patterns of Ownership*

In the large majority of cases, the Government of India is the sole owner of the enterprises that have been set up under its auspices. There are a few cases, however, where other parties have been taken as partners.

In some cases, some State Governments are partners in the enterprises. The most significant example of such a partnership is the D.V.C. Even though under the D.V.C. Act the Government of India had the main controlling authority and responsibility for the D.V.C., the Governments of West Bengal and Bihar were made partners of the Government of India in this undertaking. This was done because it was felt that as the developments to be carried out by the D.V.C. were in the regions covered by these two States, they should be associated with this project. In practice, however, this association seems to have proved to be a disadvantage in the unified management and control of the D.V.C. In the case of a few Government Companies, some State Governments have been associated as minority shareholders. This is sometimes due to purely historical reasons—as in Hindustan Aircraft where the Government of Mysore was a partner in the undertaking from the time of its inception as a private business venture, or in Singareni Collieries and Praga Tools where the enterprises

2. Government of India, Ministry of Commerce and Industry: *Decisions of the Government of India on the Recommendations Contained in the Report of the Krishna Menon Committee and other Reports and Studies on the Running of Public Sector Undertakings*, New Delhi, 1961.



were originally State Government concerns but could not develop without large scale financial participation by the Government of India. A few other cases however indicate certain possibilities which may be portents of future developments.

Till recently, the allotment of shares to the Government of Mysore in the Indian Telephone Industries, whose works are situated in that State, could be treated as a decision taken at a time when the policy implications of such a decision were not clearly thought out. Nothing of this kind has been done in the case of other major public sector projects. In 1956, however, in the case of Travancore Minerals Ltd., the State Governments of Kerala and Madras have been made partners and these two Governments together hold 50% of the share capital. There has been some public discussion about whether State Governments will not press for the right to participate in the share capital of Central Government undertakings situated in their territories. If this happens, it can give rise to a host of problems regarding the management and efficient conduct of these undertakings. Even now considerable pressure is reported to be put by State Governments for preference in employment for their people in the Central undertakings situated in their territories. Such pressures may increase and may be more effective if State Governments can become partners and therefore enjoy guaranteed representation on the Board of Directors. Moreover, when the works of an undertaking are situated in more than one State, as is increasingly happening in the case of major undertakings, all the States concerned will have to be accepted as partners and unified control and efficient management will suffer.

There are also some cases where private business concerns are accepted as partners in state undertakings. In some financial concerns, it is considered necessary to have certain private concerns as partners because the nature of the activity of the undertaking is such that it can be more effectively carried out under this system. When a financial concern serves both the public and the private sector, or especially the latter, it is thought worthwhile to have representation of that sector on the managing board through such a partnership. Thus the share capital of the Industrial Finance Corporation, the State Bank of India and its subsidiaries and bodies like the Refinance Corporation for Industry has been permitted to be partially contributed by private shareholders, institutional or individual.

In other cases, private parties continue as shareholders because of the fact that the project was originally undertaken in the private sector and the State had to come in because the private parties could not find enough capital to go on with the project. Hindustan Shipyard was one example of this (though later on, by mutual agreement, the

Government took over the shares of the private partner), others in this category being the National Newsprint and Paper Mills (where a State Government was also one of the original sponsors and continues as a minority shareholder) and the Ashoka Hotel.

The third type in this category is represented by the Indian Telephone Industries. The foreign firm which collaborated in the setting up of this project was permitted to hold a small proportion of shares in the concern, the idea being that the firm would feel more interested in the success of the project if it was made a partner in the concern. Similarly, the foreign group which collaborated in the setting up of the Rourkela Steel Plant was also originally made a minority partner in the concern. But later on it was decided to terminate this arrangement. The balance of advantage did not lie in making the foreign firm a partner in all cases of collaboration and it would have been invidious to permit such an arrangement in some cases and not in others. Curiously enough, in the case of Hindustan Organic Chemicals Ltd., a Government company registered in 1960, this idea seems to have been revived and, under the collaboration agreement, a small part of the share capital is being allocated to the foreign collaborating group in lieu of their fees for technical assistance, etc.

Another development in the pattern of ownership in State undertakings is the establishment of concerns which are subsidiaries of state undertakings. This pattern is to be found especially in respect of financial undertakings. The Reserve Bank, which is fully State-owned, holds majority shares in the State Bank of India which in turn holds majority shares in eight subsidiary banks. The Government of India, the Reserve Bank, the State Bank and the Life Insurance Corporation together hold a large part of the share capital of the Refinance Corporation for Industry. As a matter of fact, there was some fear in private business circles that the Government's ownership of the Life Insurance Corporation, the largest single investor in equity capital in the country, would be used for backdoor nationalization. The Government, however, seems to have decided not to use the L.I.C.'s investments for the purpose of obtaining control over private sector undertakings.

The idea of permitting a part of the share capital in state undertakings to be held by the public seems to have received some support in Parliamentary and Government circles a few years ago. A Study Group set up by the Planning Commission was reported to have recommended that 25% of the shares of a few government concerns, already well established and not engaged in monopolistic or semi-monopolistic fields, should be thrown open for public subscription. The main motive underlying the recommendation seems to have been to

associate the general public as partners with the Government in the management of these concerns, "in the bearing of risks and uncertainties and in the sharing of the toils and travails connected with expansion and development". However, the arguments that this effect is not likely to be of any significant character and that there are significant dangers involved in such a policy for unified control and management of the concerns seem to have prevailed and no such experiment has been tried by Government.<sup>3</sup>

### *Structure of the Public Sector*

In public sector undertakings, the controlling ministry is at the apex and the operational unit—the individual plant or the individual mine—at the bottom. Whether there are any intermediary organizations depends upon the nature of the undertaking and the overall policy of Government about organization.

The distribution of public undertakings amongst different ministries has to some extent been influenced by historical reasons. The Chittaranjan Locomotive Works, for example, was organized to meet the requirements of the Railways and was therefore made a part of the Railway organization. The telephone factory was organized for meeting the needs of the Posts and Telegraphs Department and therefore it was placed under the Department of Communications which is in overall charge of the Posts and Telegraphs. Gradually the allotment of enterprises to different ministries came to be related to the overall functions of a ministry. All financial undertakings were put under the Ministry of Finance, the Damodar Valley Corporation and the National Projects Construction Corporation were put under the Ministry of Irrigation and Power and most of the new manufacturing enterprises under the ministry which was looking after industries. In 1952 a new Ministry of Production was formed and quite a large number of the manufacturing enterprises in the public sector were put under its control. The Department of Steel was set up mainly for looking after the new public sector steel projects. In 1956, the Ministry of Production was abolished and most of the enterprises under its control were transferred to the Ministry of Commerce and Industry. A new Ministry of Steel, Mines and Fuel was established with two departments—the Department of Steel and the Department of Mines and Fuel—under it. In 1962 there was a further reorganization of ministries; a new Department of Heavy Industries was created and the more important of the public sector industrial projects were transferred to it. Thus

3. For a detailed discussion of this proposal see the present author's "Public Participation in the Capital of State Undertakings" in *A.I.C.C. Economic Review*, January 6, 1961, p.p. 63-67; also see *Capital*, November 3, 1960, pp. 631-32.

the present organization at the Government level is that a number of ministries and departments control public sector undertakings, those controlling a large number being the Ministries of Finance, Defence, Industries and Mines and Fuel, the Departments of Steel, Heavy Industries, Transport and Communications, and of course the Ministry of Railways (Railway Board). Enterprises in the field of atomic energy have from the beginning been put under the charge of the Department of Atomic Energy. Unlike at the time when the Ministry of Production was in existence, now there is no ministry or department whose exclusive task it is to look after public sector undertakings in a particular field. The ministries and departments are allotted certain functions and they control private as well as public enterprises which come under their functional scope. The main exception to this arises in the case of some manufacturing and engineering enterprises which either because they are serving the needs of particular departments or undertakings under these departments or because of some other reasons, have been from their inception under these departments. Thus, not only the Air Corporations but also the Hindustan Shipyard is controlled by the Department of Transport; not only the P. & T. but also the telephone and tele-printer factories are controlled by the Department of Communications; and Hindustan Aircraft and Bharat Electronics are controlled by the Ministry of Defence.

There has been no organization in the Government which is specially given the authority and responsibility for looking after the common problems of public sector undertakings. At a time when the large bulk of enterprises were under the control of the Commerce and Industries Ministry, a Projects Coordination Committee had been set up under that Ministry for the purpose of ensuring coordinated policy-making in public undertakings. Representatives of related ministries and other public sector projects were also sometimes invited to attend the meetings of this Committee. However, the experiment of this Committee does not seem to have succeeded, only a few meetings being held between 1957, when the Committee was first organized, and 1961.

In 1961 the Ministry of Commerce and Industry was also given the task of coordinating the overall policies of public sector undertakings in non-financial matters. However, with the reorganization of ministries in 1962 as explained above, this particular Ministry lost the more important undertakings to the new Department of Heavy Industries and since then the Projects Coordination Committee as well as the general coordination work seem to have been in abeyance. On the financial side, the coordination of policies is attempted to be ensured through the Project Coordination Section of the Department of

Expenditure in the Ministry of Finance. The fact that a few senior officers from this Department sit on the boards of a number of undertakings further facilitates such coordination. The Ministry of Labour has sometimes attempted to bring about coordination in the labour policies of public undertakings through holding meetings of the representatives of concerned ministries and enterprises. There is however as yet no organization in Government which has the overall responsibility for examining the common overall problems of public sector undertakings and coordinating their policies.

One method of bringing about some coordination in the policies of closely related enterprises is to arrange some type of interlinking among them. In the financial enterprises this is done through the interlinking of capital holdings as explained earlier. We also find that the instrument of common directors is used to bring about a certain degree of interlinking. We have already mentioned the case of officers from the Finance Ministry who are directors of a number of enterprises. Similarly, some officers may be directors of a number of enterprises under the control of a particular ministry. There seems to be in some cases a deliberate policy of appointing common directors in the case of enterprises which lie in the same geographical or technical areas; for example, we have such interlinking of directors between Air India and the Indian Airlines Corporation, the Reserve Bank of India, the State Bank of India, and other financial enterprises, Hindustan Steel and the Heavy Engineering Corporation, and the Oil and Natural Gas Commission and other public undertakings in the petroleum field.

A more direct way of ensuring coordinated policy-making amongst units which work in the same technical area or which are in some other ways closely connected is of course to have a common top management for such units. This can be done through putting such units under one undertaking. In the earlier stages of the development of the public sector, the policy seems to have been to set up a separate organization for each producing unit. Thus, after the establishment of Sindri Fertilizers and Chemicals, when it was decided to develop another fertilizer unit at Nangal, a new company was set up for managing it. But later on this policy underwent a change. All the three steel projects in the public sector were put under one company, the Hindustan Steel Ltd., all the fertilizer units (including that at Rourkela which was originally put under Hindustan Steel) under the Fertilizer Corporation of India and so on. The new units that are being set up for the production of machine tools are being set up under the overall charge of Hindustan Machine Tools and those in the field of heavy electricals under Heavy Electricals. The Drugs and Pharmaceuticals, the Heavy Engineering Corporation and the Shipping Corporation are other

examples of this policy. It cannot however be said that this pattern of organization is definitely established and accepted. While there has been from the beginning a discussion about the desirability of having only one corporation for internal as well as international air transport, the Government did not and has not yet accepted this solution. The Hindustan Teleprinters being set up as an independent company, even though it lies broadly in the same field as the Indian Telephone Industries and is even controlled by the same ministry, is another indication of the hesitation in firmly adopting this kind of organizational pattern.

This hesitation is probably due to genuine doubts about the effectiveness of this pattern of organization. The discussion in this respect in recent years has specially concentrated around the organization of Hindustan Steel. There has been a view persistently coming up that the creation of an intermediary organization between the controlling ministry and the individual plants is on balance not advantageous. It is said that effective control regarding most problems of higher management has been and will always be exercised by Government; therefore the headquarters organization such as the Hindustan Steel management at Ranchi just proves to be an ineffective intermediary—almost a post-office—between the Government and the plant management. It has therefore been sometimes suggested that the Government should deal directly with the individual plants and that this middle organization should be abolished. The Government has not accepted this suggestion. It is interesting to note however that a decision has already been taken not to put the proposed steel plant at Bokaro under the management of Hindustan Steel. A separate company is going to be set up for that purpose. It is, however, possible that this decision arises from the very special factors that affect the proposed project at Bokaro and is not necessarily an indication of the future policy of Government about the pattern of organization.

### *The Question of Autonomy*

Almost since the beginning of the post-Independence development of the public sector, the question of the autonomy that the managements of these undertakings should enjoy has aroused considerable discussion. In the case of the Damodar Valley Corporation the question became especially controversial because the Corporation's first Board insisted on carrying on its work in an autonomous way as provided for in the Act while the controlling ministry and the Ministry of Finance seemed to hold a different view in the matter. The question again came to public attention as a result of the controversy that arose regarding certain investments made by the Life Insurance Corporation

and the conclusions which the Chagla Commission<sup>4</sup> stated in its enquiry report on this subject.

The question of autonomy seems to be raised many times on a somewhat fallacious understanding of the situation regarding public sector undertakings in other countries and specially in the U.K. Many persons had the impression, principally based on the nationalization statutes in the U.K., that the public undertakings there enjoyed virtually full autonomy except in matters which were formally reserved for Government decisions. The material that has become available recently about the actual way in which the British public undertakings function, especially the reports of the Select Committee of the House of Commons on nationalized industries, quite clearly indicates that there is a great deal of indirect influence exercised by Government in matters supposed to be purely within the jurisdiction of the undertakings. It is also sometimes overlooked in these discussions that in India we are attempting to build up a planned economy. Even private sector undertakings are subject to considerable controls by Government. Public undertakings moreover are set up principally in fields that are vital to economic growth and the proper functioning of the economic system and they are therefore bound to be subject to greater regulation and control than private undertakings. As a matter of fact, one of the reasons why certain undertakings are nationalized or a decision is taken to reserve the development of certain industries for the public sector is that close control and regulation is considered necessary in their cases so that their development may take place in accordance with the requirements of public interest. Therefore, there can be no question of public undertakings in India enjoying 'full' autonomy, whatever that may be. Decisions on matters like location of new projects, investments, foreign collaboration, overall policy regarding salaries and wages, the composition of output, the use of surpluses, price policy and labour policy are bound to be reserved for the consideration of Government. This is indicated by the power reserved to Government under the public corporation statutes and the articles of association of Government companies. As in most other countries, including the U.K., the Government also has the power of giving directions in policy matters where these are thought to be necessary.

The real question is therefore not whether the Government should exercise a significant degree of control over these undertakings or not; it is clear that in a public undertaking many of the functions that would be carried out by the Board of Directors in a private enterprise will have to be vested in Government, especially in an economy which is

4. Report of the Commission of Enquiry into the affairs of the Life Insurance Corporation of India, 1958.

increasingly planned. The relevant question is, once these broad policy decisions are taken by Government, should the actual management of the enterprise be left entirely to the top management that is appointed for that purpose or should the Government in one way or another also participate in this task. The approach accepted by the Government of India in practice seems to be that it is necessary for Government to be associated even in the process of decision-making in the enterprise. It is not possible to distinguish clearly between broad policy decisions and management decisions; there is bound to be much overlapping between these, and therefore in order to ensure proper and smooth functioning it is much better to have a flexible approach in this matter. In pursuit of this policy, the Government has developed a system of indirect control in addition to the formal controls and powers that the Government has. The most important of such instruments was that in the board of directors appointed for carrying out the management of the enterprise, a number of Government officials were included. Till recently in the case of the majority of boards, the Secretary of the controlling ministry or another senior officer was appointed as Chairman of the board; an officer of the Ministry of Finance was also included in the board. Moreover, the Chairman as well as other directors, and especially the director from the Ministry of Finance, had the right to suggest that a matter that was being decided by the board should be reserved for obtaining the advice of Government. This system could be relied upon to ensure that even in matters that were not formally reserved for Government's decision making, the Government's views would prevail. The effect of this system quite naturally varied from enterprise to enterprise.

The actual working of the board depended, as it is bound to depend, upon the personalities involved. A strong and senior managing director who enjoyed the confidence of the Minister in charge or sometimes of other senior ministers was able to get the board to agree to his views on many matters, to go his own way and to make a success of his enterprise. If he belonged to the senior civil service of the country and was sufficiently senior in that service, that helped him also to obtain the concurrence of the civil service members of the board. There are some excellent examples of such successful functioning in the public sector, but there are also known to be other cases where such a special and advantageous situation did not exist. The top managers in such undertakings feel that the official directors fail to understand their point of view and their problems and that, therefore, efficiency suffers. The complaint seems to be not so much about the formal delegation of powers to the board as about the manner in which the board itself functions because of this kind of composition. It is also



alleged that instructions, oral or written, are received from ministries about matters that are within the powers of the enterprise management; but it is not possible for the managements easily to ignore such instructions. The policy has the effect of blurring responsibilities and the creation of feelings of helplessness or indifference in the minds of the actual managers.

As a result of the discussion about this problem and the experience gained, the Government decided recently that the Secretary to the Government in the controlling ministry should not be on the board. It was also decided that though representatives of the controlling ministry and the Ministry of Finance should be on the board so as to maintain liaison between the Government and the enterprises, they should have no power to reserve a proposal or decision for the advice of Government. This power is now to be enjoyed only by the Chairman of the board. It has also been decided that in order to ensure quick and well-considered decisions on references from public enterprises to the Government, the decisions should be taken at high levels in the Secretariat. The powers of the boards are being enhanced and it is expected that this would also result in a greater autonomy in management being enjoyed by the boards.<sup>5</sup>

### *Management Boards*

This leads us to the question of the changing pattern of the management boards of state enterprises. Confining our attention to enterprises which are either fully or mainly owned and controlled by the Government of India, we find that a certain pattern for the board has been in existence for some time now, both in the case of statutory corporations and Government companies. In addition to officers from the controlling ministry and the Ministry of Finance as mentioned above, there are a few other civil servants, some from other government organizations which may be supposed to have some relationship with the functioning of the enterprise and sometimes also an officer from a State Government—generally from the State where the project is located. There are generally two or three non-officials, one mostly a labour leader (generally belonging to the I.N.T.U.C.) and a businessman or a present or past member of the Union or State legislature or an economist or a retired civil servant, etc. There is generally only one full-time director, designated as Managing Director and/or Chairman, and in all cases he is brought from outside the enterprise. This has been the normal pattern. But there are two kinds of exceptions. One is the case of financial corporations like the Reserve Bank, the State

<sup>5</sup> Government of India, Ministry of Commerce and Industry, *op. cit.*

Bank and the Life Insurance Corporation. In all these, the number of non-official directors is large enough to give them a majority on the board; and many of these non-official directors represent some expertise or experience valuable to the functioning of the board. The number of full-time directors is also large. The other was the case of Hindustan Steel. We shall discuss it presently.

This normal pattern of state enterprise boards came under a great deal of criticism. It is not now necessary for us to go over this ground fully as some significant changes in Government's policy in this regard were announced in 1961.<sup>6</sup> Some of the main points in the new policy have already been mentioned earlier. It was further decided that:

- (i) Members of Parliament will not be appointed as directors of state undertakings.
- (ii) No officer who is assigned ordinary Secretariat duties would be appointed as a director in more than three or four concerns.
- (iii) The Chairman and/or the Managing Director would be full-time, except in the case of very small concerns.
- (iv) Government did not like the idea of having internal part-time directors. When internal directors are appointed, they would be full-time directors. Reservation of all appointments on the board to company employees was likely to meet with practical difficulties and therefore cannot be accepted.
- (v) No full-time director should have any connection with private business. Part-time directors connected with private business may be appointed provided no question of conflict of interest was likely to arise.

This policy no doubt goes a long way to meet the various objections raised against the pattern of boards set up by Government up to now. The Government seems to have agreed at that time that the ideal would be to have a significantly large number of internal full-time directors. A beginning was to be made by ensuring that in most cases at least the Chairman and the Managing Director should be full-time. The implication seems to have been that more full-time directors would be appointed as necessary and available. They would not all or even mostly be internal at this stage because many of the undertakings being new they are not likely to throw up enough competent persons to be appointed as Directors.

As indicated earlier, in the context of state enterprises in an increasingly planned economy like India's, major policy decisions regarding the enterprise are likely to be taken by the Government and

not by the enterprise board. Thus, the real function of the board will be to ensure the proper performance by the undertaking of the tasks set before it. Directors with a great deal of continuing outside experience and contacts are not really necessary on a board of this type.

With the increasing tendency to group a number of similar units under one large firm, we are bound to see coming into existence a number of giant-sized state enterprises. The board of Hindustan Steel before its recent reconstitution was thought to be a good example of what the pattern of boards for such enterprises can be expected to be. This board had a full-time Chairman, who was the chief executive of the undertaking, four full-time directors each in charge of a particular function (personnel, finance, operations, construction), three (internal) part-time directors who were General Managers of the three steel plants and two or three other part-time directors, one—a senior official of Government, one—the Chairman of the Heavy Engineering Corporation, and one—a labour leader from the I.N.T.U.C. who was the leader of trade unions of steel workers in the private sector.

It was obviously thought that for a giant enterprise of the size of Hindustan Steel, it was necessary to have a board which has a large complement of full-time members. Because of the large number of problems that are bound to arise all the time requiring review and decision-making by the board, only a board which has a large number of full-time members can cope up with this work. The difficulty that the part-time members were not likely to be available for frequent meetings, was got over by the creation of a Committee of Management and delegation by the board of substantial powers to this Committee. Thus, the Committee, which mainly consisted of full-time directors, could meet as often as necessary to dispose of the business.

But surprisingly enough, this experiment, which was thought to be an indicator of the future pattern of the boards of state undertakings, has been given up and in the recent reconstitution of the board of Hindustan Steel, the pattern usual in other undertakings has been followed. There will be a full-time Chairman and in course of time all the other directors will be part-time. There will be a senior officer to represent the controlling ministry and the Ministry of Finance; in addition to the existing part-time directors, one, the Chairman of a sister enterprise and one, a labour leader, there will be two well known managers from the private sector. The General Managers of the three plants will continue to be part-time directors but this is said to be purely a transitional arrangement, as the Government does not want to deprive persons who were already directors of their status as directors. But in future there will be no such inside part-time directors. Similarly,

in the Fertilizer Corporation and the Heavy Electricals, the status of part-time director which was being enjoyed by the top managers of the individual plants is not being conferred on new incumbents of these positions. This seems to indicate that the Government has now decided that the pattern of a predominantly functional board consisting mainly of persons working full-time in the undertaking is not a suitable one.

The question of the type and composition of the board is inevitably closely related to the functions of the board. In the case of enterprises which are carrying out mainly governmental or similar functions, of which the Reserve Bank is the best example, a board which consists mainly of persons who can advise on broad problems of policy with knowledge and experience may be quite appropriate. But in the case of enterprises which have specific manufacturing or trading functions to perform, and in whose case broad policy decisions will anyway lie with Government, the only function of the board will be to provide the overall management of the enterprise—to appoint the principal executives, to define the organizational structure and internal relationships in the concern, to specify detailed targets of output, costs, etc. to exercise overall control, to review operations and provide correctives, to maintain liaison with Government and Parliament, and to prepare for the future by organizing research, preparing expansion schemes, and arranging for their execution. Can these functions be best performed by a board predominantly consisting of members whose main area of activity lies outside the enterprise?

This problem has been debated for long in the literature on management organization and it is obvious that one should not be dogmatic about the answer.<sup>7</sup> A great deal is bound to depend on the types of persons that are available for appointment, the confidence that they can obtain of the Government and other such conditions that would vary from enterprise to enterprise and from time to time. It has been pointed out that part-time members of the board can be of great help to the chief executive, Chairman or Managing Director, not merely because of their knowledge and experience but because they can have influence with the minister and generally in the public which helps obtain support for the management once these persons can be convinced of the

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7. The speech of P.L. Tandon, Chairman, Hindustan Lever Ltd., delivered at the recent annual general body meeting of that company, deals with the Lever Group's approach to this problem and would be found interesting in this connection. See especially the following extract: "We have no doctrinaire views on this subject (of working directors against outside advisory directors), but for the recurring day-to-day affairs of the Company, we think that a working board is the practical answer, which is also the experience of many progressive companies elsewhere. As for advice, we have plenty within the concern, but whenever we feel the need, we do not hesitate to look for it outside". *The Economic Weekly*, June 15, 1963, p. 976.

management's case. It is also said that persons from the business world can be more easily persuaded to accept the management's case because they are in touch with similar problems in their own concerns. It is also maintained that to carry out the functions that a largely internal board can more effectively perform, there may be a Board of Management which consists of the heads of plants and heads of the main functional areas. This would also be useful to establish in a clear way the superior position of the chief executive—the full-time Chairman or Managing Director.

There is undoubtedly much to be said for this approach which is now again gathering strength in governmental circles. Boards of Management already exist in some enterprises and if these are formed in others, they would carry out all the principal functions that were mentioned earlier as those of a board. The Board of Directors will then be a body whose principal function will be to advise the chief executive and to help him in his functioning *vis-a-vis* the Government, the Parliament and the public. One may wonder, however, whether it is really necessary to have Boards of Directors in state enterprises for this purpose.

Whether it is called a Board of Management or a Board of Directors, it is essential that there should be a body which consists predominantly of the principal executives of an enterprise and carries out the functions that are indicated above. Not having a competent and knowledgeable body for this purpose is bound to have a deleterious effect on the functioning of an undertaking. It may even be that this body may be located in the controlling ministry itself. This will have the advantage that the problem of overlapping functions will not much arise. However, the disadvantages of this course—much greater possibility of political pressures and policy changes for purely temporary reasons, the unbusinesslike traditions and methods of Government organizations, etc.—will probably outweigh the possible advantages.

### *Top Managers*

Most of the Chairmen, Managing Directors, and other full-time top managers of public undertakings have been drawn up to now from Government services. Moreover, quite a significant proportion of them belong to the top generalist civil service—the I.C.S. In recent years an increasing number of persons with technical or financial experience in Government organizations have also been appointed to such positions. There is no significant example as yet of persons from within an enterprise rising up to the topmost positions outside of older organizations like the Railways, the Posts and Telegraphs, the All

India Radio and the Reserve Bank. This is not very surprising because most of the public sector undertakings are new and there has not been enough time yet for men from within the organization to grow up to occupy top positions. It is, however, necessary that a deliberate policy of developing personnel from within the undertaking for taking over top positions in the public sector should be pursued. While the Government should be free to go to any source to find the best available person when persons are not available within an enterprise for occupying top positions, there would be something seriously wrong with the personnel management of public undertakings if within ten to fifteen years of their beginning to function they cannot throw up a large part of the top managers required in the public sector. It is sometimes said that limiting the choice to persons in public sector undertakings will create a vested interest. It is only necessary to add that we have to guard not only against the growth of new vested interests in public sector personnel but also against the established vested interests of traditionally powerful Government services.

Moreover, even when full time top managers have to be imported from outside in this early stage of the development of the public sector, it is necessary to ensure that they are carefully selected and, what is even more important, helped to build up knowledge and capacity for the new type of work that they have to perform. Very few persons with experience of industrial and business management in the private sector have been appointed to top positions in the public sector. This has been the result partly of the scarcity of such personnel and partly of the disparity in remuneration between efficient and successful private concerns and public undertakings. For occupying some key technical positions in public undertakings, Government has had to attract some persons from the private sector and specially high salaries have been paid to them. There is no reason why a similar policy cannot be adopted for attracting some top management personnel. Persons with a real capacity to manage large and complex undertakings are few in any country, and more so in India, with such little development of modern industry till recently. The dogmatic policy about management salaries has unduly limited the field of choice for top managers of public undertakings.

When persons from Government services are being selected for occupying top management positions in public undertakings, care has to be taken to see that the individual has had some experience of dealing with problems and personnel of the type he will come across in the particular undertaking. A person may not be capable of handling the financial problems of an undertaking merely because of his having worked in the accounts, audit or finance departments of Government.

A successful railway manager may not always make a good manager for a chemicals or a metallurgical plant. A successful Secretariat or district officer may not always be able to provide the kind of leadership expected from the chief executive of a complex and large undertaking. These statements would be considered obvious but anyone acquainted with public undertakings can easily recall instances of wrong appointments of this and other kinds. After careful assessment of the requirements of the particular job, a careful search has to be conducted for finding a person coming nearest to satisfying these requirements. It does not seem that the process of selection has been sufficiently purposive and systematic up to now. While some selections have proved to be good, some others have proved to be bad and because of the seniority and status of some of those wrongly selected, it has not always been possible to undo the mistake in time.

Even if a good man is chosen, it is necessary to keep him long enough in a particular enterprise if he is to develop better understanding of the problems involved and contribute his best for its success. In the past, there have been too frequent changes in the persons at the top in some undertakings. Sindri, Hindustan Aircraft and Hindustan Steel seem to have been among the worst sufferers in this respect. For the success of an industrial undertaking, what Galbraith has called its "synthetic personality" needs to be carefully built up and stabilized. This involves "an intricate problem of cooperation and coordination between its parts" which in turn is "the fruit of familiarity and confidence as between the participants."<sup>8</sup> But this familiarity and confidence can be built up only if there is a significant degree of continuity in the top management team. If there are frequent changes, may be because some individuals are being offered better positions elsewhere or because a new minister or secretary has a different conception about individuals and organization, it is bound to affect the working of the top management adversely. Of course, if a top manager does not enjoy the confidence of the concerned minister and his principal advisers, he should go and that too as early as possible. This kind of situation becomes public knowledge in the enterprise in an astonishingly short time and a long period of waiting for the change can be highly damaging to the morale and efficiency of the organization.

It can be too much emphasized, however, that the real solution to the problem of finding suitable persons for top management positions in public undertakings lies in a vigorous policy of potential

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8. J.K. Galbraith: "Public Administration and the Public Corporation", *Indian Journal of Public Administration*, Vol. VIII, No. 4, pp. 440-41.

talent-hunting and the development of such talent. Already a number of talented and experienced persons are being recruited from various sources—civil service, defence services, private industry and the professions—for middle-level positions in the public sector. The flow of such talent into the public sector will increase—and the existing and potential outflow will diminish—if the disparities in real income and other conditions in private and public undertakings could be significantly reduced. Once such talent is secured, personnel management practice in public undertakings should be improved to ensure its rapid development and advancement. A major difficulty is created in this due to the prejudice in India generally and in the public sector specially against advancing even talented persons rapidly so that they occupy top positions not later than their middle 40's. Even in advanced countries, where talent is somewhat less scarce, it is not unusual for persons to reach top management positions in their early 40's. In India, really talented persons should be permitted to reach such positions even earlier. This is also important because persons who have grown up in this kind of modern and complex undertakings can face the problems thrown up in their management with better knowledge, experience and confidence than others who have mainly grown up in the pre-Independence and pre-development period.<sup>9</sup>

### *Management Methods*

The policies, methods and procedures pursued by managements of most public undertakings have been largely patterned on those prevalent in Government. This has been the result of a number of factors, the most important one being that only a few of these undertakings were originally working in the private sector and therefore had already adopted certain businesslike methods and procedures; most are new undertakings built up by Government from scratch and have had no previously built-up tradition of business like management. The fact that most of the top management personnel have been recruited from Government services, the close control exercised by Government—including the Ministry of Finance—over these undertakings, the powers regarding audit enjoyed by the Comptroller and Auditor-General and the accountability of these enterprises to Parliament which leads occasionally to close questioning even about the internal management

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9. For some time it was thought the best method of meeting the needs of public undertakings in managerial personnel was to organize a special cadre for the purpose. It was in pursuit of this line of thinking that the Industrial Management Pool was formed in 1957. The experiment has not proved successful and the Government seems to have decided to give it up. For a more detailed discussion of the problems regarding management personnel, see the present author's "*Industrial Management Pool: An Administrative Experiment*", Indian Institute of Public Administration, New Delhi, 1962.



of an enterprise—all these help to strengthen the tendency towards adoption and continuance of policies, methods and procedures current in traditional governmental organizations. These procedures, as is well known, are not suited to carry out the developmental functions of the post-Independence Government. Various authorities, political as well as academic, have spoken out in favour of changing these “outdated manuals”. Whatever may be the case with the normal Government functions, these traditional rules and procedures were never developed with a view to managing large and complex business undertakings. But, unfortunately, with a rare occasional exception, most public undertakings are willy-nilly following them. It is difficult to understand why, when the Company form was borrowed from private business organization because it was already well-developed, the best business practices in internal organization and methods were also not accepted as necessary and proper. The main reason for this seems to be not so much a well thought out policy as the dead hand of tradition and also insufficient attention to this vital reform by top managers, administrators and Government leaders. The basic approach behind some of the traditional procedures in Government—maximum fairness to all, careful use of public resources etc.—is commendable but the emphasis on other objectives has to be greater in a business undertaking. When large and complex tasks of construction or production are to be handled, speed in decision-making may be more important than obtaining the absolutely correct decision (if there is any such thing). Ignoring hundreds may be essential for saving thousands and lakhs. These facts have not as yet been appreciated enough in practice in Indian public undertakings.

This is not to say that in certain respects public undertakings have not blazed a new trail in the Indian economy. Vast new projects have been undertaken and carried out on a scale that was never attempted by the private sector in India, the defects and delays notwithstanding. We cannot also ignore the fact that modern business management had not made much headway even in the private sector in India till recently. Moreover, public undertakings have adopted certain policies that indicate a better understanding of the long-term needs not only of the particular units but also of the national economy as a whole. Their achievement in the training of technical personnel for construction, operation and, more recently, designing of modern industrial complexes have hardly any precedent in the history of even the most enlightened among private sector undertakings in India. The result is that it is not improbable that the country will be able to design and construct new plants in most industrial fields in the near future. This is already happening in fields like machine tools and fertilizers to a

significant extent and more progress would have been achieved even in the field of steel if the administrative and management policies had shown greater awareness of the need to utilize the training and experience that Indian personnel obtained especially in the construction of the Bhilai steel plant. The policy of providing decent housing and other welfare facilities for the labour force employed at the new plants though somewhat overdone at some places is bound to have a beneficial effect on the creation of a stable and efficient labour force for the rapidly growing industrial sector. The defects that are pointed out here should not be taken to mean that there are no worthwhile achievements to the credit of the public sector. The efficient and successful functioning of the public sector is however so important for our economic growth that it is essential to point out such defects and indicate the remedial action necessary.


### *Machinery for Evaluation and Reform*

To improve the management of public sector projects, it is essential that the governmental and administrative policy-makers should adopt a more eclectic and experimental approach to the problems faced by these undertakings. This will require giving up certain dogmas when they are found to be inconsistent with the realities of the situation. There is far too much trust and confidence in this country, to some extent inherited from our former rulers, on the non-expert amateur as a manager and on rule-of-thumb methods. Untrained and inexperienced personnel are not trusted to handle a piece of machinery; but it is thought that a person can handle the financial, personnel or overall management problems of a whole industrial complex without any special training or experience in that kind of work. There is also a reluctance to face facts about the importance of incentives—monetary and non-monetary, positive and negative—for maximizing efficiency. We should not overlook the fact that even in the USSR the rulers quickly gave up their egalitarian dogmas when they found that incentives were essential for most people—high or low—especially in the early stages of the industrialization of a country. Similarly, even when we have clear examples of success and failure among public sector undertakings, there seems to be some reluctance to learn lessons from these differences in attainment and to transplant the policies and procedures of the more successful units to the less successful ones.

One major factor responsible for this is that there is no organization in Government whose task it is to bring together such data, analyse them and suggest remedial action. There is not even a system of getting full-scale progress reports on various projects which would provide information on both the good and the bad points, successes as

well as failures and indicate the factors responsible for these. While the audit reports, and the reports of the Estimates and Public Accounts Committees have been somewhat useful in this respect, they are not adequate for this task. Even the studies that may be made by the proposed Parliamentary Committee on state undertakings are not likely to serve this purpose adequately. What is necessary is an expert evaluation organization, mainly working in confidence for the Government, with access to all the data, and charged with the responsibility of continuous study, evaluation and suggestions for improvements. The work of this organization should be supplemented by a more systematic functioning of the Projects Coordination Committee which should include representatives of all public sector projects. The labours of these organizations will not bear practical fruit unless there is a ministry in Government, under a senior Cabinet Minister, which is in overall charge of management organization and problems of public sector undertakings.

The managements as well as the workers in public undertakings are also likely to show better results if the main criteria by which their performance will be judged are clearly laid down. In the private sector, the principal criterion is well-known—good profits; and while other norms are also important and receive some attention, management knows that it will be principally judged on this basis. In the public sector there is too much blurring regarding objectives. While in a complex undertaking, it is not easy to decide any one criterion of performance, it should be possible to devise a few criteria for such judgement. These may vary from enterprise to enterprise and from time to time; but concrete goals of this kind are likely to act as excellent spurs to improving performance. It may not also be out of place to suggest that public recognition of the units and the individuals who do well may have a significant effect on their morale and also generally act as an incentive. The recently organized system of Presidential awards is a good beginning; but the criteria used are not sufficiently clear and well known to act as spurs for better performance. This could be easily improved.



## GOVERNMENT AND THE PRIVATE SECTOR

*Bharat Ram*

THE PROBLEMS of development have increased in depth as the country has moved from the relatively simple objectives of the First Five Year Plan to the building up of a complex industrial economy. Such a shift has meant that national policies and the manner of their implementation have greater impact on the decisions of the various Ministries and Departments of Government as those of business. In this context, there are a few themes that are woven together by one thread, namely, that only by working together—Government with business, Government departments with other Government departments, business with business and any number of combinations of these—can we successfully solve our manifold problems. Both in the larger and particular sense, this co-operative endeavour is a unique characteristic of political democracy and free societies. It is the purpose of this article to review the positive role played by the commercial and industrial associations in shaping public policy.

Before discussing the elements or composition of Government's policy, let us consider what is meant by business opinion. Is there one such comprehensive opinion? Any way, what is business? Generally speaking, business connotes a wide amalgam of those engaged in industrial activity, in trade and commerce, including banking, insurance, shipping and distribution. What about agriculture? Are we to include the views of farmers in this categorization of business opinion? Perhaps not directly, but to the extent that the well-being of agriculture is important to industry and to the country as a whole, no business opinion worth its name can ignore the problems of agriculture. Therefore, it must follow that business opinion coming from such diverse and sometimes conflicting interests will amount to a reflection of trends of thought or a general climate of business sentiment. On this basis, business opinion is unlikely to be clear-cut on many general issues. Nevertheless, this is not to say that sectional opinions in business cannot often be usefully combined to present a general picture. This is what the Federation of Indian Chambers of Commerce and Industry has sought to do since it was established in 1927.

The Federation, to day, has in its membership over 170 industrial and commercial associations including chambers of commerce in its membership. The break-up roughly is 150 chambers of commerce, 80 industrial associations and 40 trade associations. As may be

expected there is hardly any interest or region which is not covered. Besides, it has about 400 companies on its rolls as Associate Members. There are ten overseas members, that is Indian Chambers of Commerce functioning in Burma, Ceylon, East Africa, Hongkong, Japan, U.K. and U.S.A. It will be useful to go back to the past years before Independence and to take a quick look at the methods adopted by the Federation and other commercial and industrial bodies to put forward the viewpoint of the Indian business community before the then Government. Let us admit without hesitation and even with a sense of gratitude that, by and large, the British provided us with a good Administration. Their fault was that they did not stimulate conditions for economic development. Yet, through sheer force of entrepreneurial ability backed by national political sentiment, the pioneers in business ventured in such advanced lines as iron and steel manufacture and shipping in the first two decades of the century. Even before the World War II, India was self-sufficient—no doubt at the relatively low levels of consumption then prevailing—in cloth, sugar, cement, jute, etc. The Federation launched upon its eventful career, i.e., in 1927, in one of the most formative periods of our economic and political history. The hesitant steps towards protection under the aegis of the Fiscal Commission, the evolution of the present exchange value of the rupee with the sterling, the establishment of a central monetary institution—to mention only a few—were the initial steps on which the present economic arrangements in our country are based. In all these questions, the Federation took an active interest; its contribution to complex questions such as the ratio controversy and the like is well-known. It has been a fervent advocate of the reservation of coastal shipping for national shipping companies and other measures which will enable the country to have her own mercantile marine. Later, the Federation was among the first to draw pointed attention to the implications of the accumulating sterling balances and was persistent in its demand that these legitimate credits accruing to India should be utilized wisely and carefully for strengthening the industrial economy of the country. These are only a few salient instances of the useful work done by the Federation in the past. Politically, the last 25 years or more may be called the period of the Indian National Congress. Economically, the period may be considered as that of the Federation which aligned itself with the political movement for Independence and translated national aspirations into economic terms.

Since Independence, the setting has changed in a fundamental way. A national Government and planning have provided the conditions which were lacking before 1947. Entrepreneurship has therefore a wider field and greater opportunities. At the same time, it has to face many new problems both tangible and intangible, the latter being the

unmanifested manifestation of political democracy. In India almost overnight private enterprise which was for a long time identified with the national movement came to be placed on probation. It is no longer taken for granted. At every turn it is asked to prove its social utility to the economy. It is not merely enough to point out, howsoever reasonable it may be, that in the free world private enterprise is the greatest or most powerful agent of production; its specific merits are quick appraisal of needs, and willingness to take risks and that it constitutes the chief source and nursing ground for managerial skill and technical ability. Private enterprise has to continually prove and re-prove its claims.

The writer should not be misunderstood to mean that Government's attitude or far that matter the attitude of the public towards private enterprise is hostile. On the contrary, private enterprise in India today has far more opportunities. Why then should there be this continual challenge which private enterprise has to face? The reason is that the milieu has changed. Our Constitution in its Directive Principles has in a degree stimulated the revolution of rising expectations. It has been assumed, perhaps with justification, that this revolution cannot be met successfully unless the infra-structure is strengthened and basic industries are established. Now the argument runs that private enterprise by itself cannot augment social capital or establish basic industries of the magnitude which is necessary. Therefore, we have the Industrial Policy Resolution as a logical consequence defining the areas of public and private sectors and what is common to both. There has been considerable controversy over the public and private sector issue. So far as the Federation is concerned, it has consistently taken the view that this controversy is as unnecessary as it is fruitless. The controversy between the sectors as to which is superior is like the controversy as to whether man or woman is superior. What John Ruskin said apropos of the 'battle of sexes' is true of the controversy of sectors. He said : "We are foolish, and without excuse foolish, in speaking of the superiority of one sex to the other, as if they could be compared in similar things. Each has what the other has not, each completes the other and is completed by the other: they are in nothing alike and the happiness and perfection of both depends on each asking and receiving from the other what the other only can give."

Our stand has been that since so much has to be done in the economic field both the sectors can effectively contribute. We are not against the Government undertaking whatever activity it chooses to shoulder. Our only contention is: let there be no rigid demarcations. It is encouraging that in actual practice Government's policy has

indeed been flexible. We have instances of industries like aluminium and fertilizers, supposedly reserved for the public sector, which have been thrown open recently to the private sector as well.

When we talk of Government policy, the point arises: Who formulates it? True, there is our Constitution with its Directive Principles. Then we have the Avadi Resolution of the Indian National Congress on 'socialistic pattern of society', subsequently rephrased 'socialist pattern' or 'socialist structure'. Do they in themselves constitute the economic philosophy of the Government and do they permeate every legislation and every procedure that is laid down? To my mind, they represent an attempt to think in broad terms, with a view to synthesizing the conflicts that thinking in compartments necessarily engenders. This should not be interpreted as saying that Government's policy is ambivalent, that it is an odd mixture of incompatible wishes. Government, like any other group in society, must have clear objectives if only to go ahead in an orderly way. The fact that in all probability no one does all that one is expected to do, which often is not really calamitous, is no argument that some broad objectives should not be kept in mind for accomplishment.

Earlier it was queried: Who determines Government's policy? The electorate? The Parliament? The Cabinet? The Administration? The Pressure groups? In a democracy like ours, and in addition with our federal constitution, it is indeed difficult to locate the exact seat of power. It will be quite fair to assume that everyone contributes to the formulation of policy and to that extent there is often, as is inevitable, some confused thinking and a lack of clarity in legislation. The point can be quickly made: About a year ago, the Lok Sabha Secretariat brought out a brochure reviewing the activities and achievements of the Second Lok Sabha. The Second Parliament alone passed more than 300 Acts of which five were in respect of the amendments to the Constitution and more than 100 related to fiscal matters and finance. There were 20 Acts concerning labour. By and large, there was not a piece of legislation that was passed which did not directly or indirectly affect industry and trade. To these must be added the pieces of legislation of our State Governments. Also we must keep in mind the spate of regulations, directions and orders formulated by different Ministries of the Central Government and different Departments of the State Governments. Each piece of legislation, to put it bluntly, has its fair share of unintelligibility, confusion and uncertainty. Take the Companies Act for instance: There are 658 Sections, besides a number of sub-sections and clauses to these sub-sections. In all, perhaps it contains nearly 4,000 provisions. If the Act can claim that it has achieved an appreciable measure of clarity, the length would have been justified.

But all those who know law will agree that the enormous length has only added to the confusion.

Then again, too many authorities in Government and even the same authority ask for information and statistics from the private industry. Some time back, a joint study was undertaken regarding the reports to be submitted by the textile industry. This study went into the questions of elimination of unnecessary reports or information, reduction of frequency of reports, reduction in the number of copies of reports, simplification or consolidation of existing reports, elimination of unnecessary details, delay or cost of reporting and elimination or modification of specific procedures. This Study found that there were nearly 312 forms and returns prescribed by various Government agencies for the textile industry. It is interesting to know, however, that this joint study in which industry was represented came to the conclusion that many reports could not be eliminated for they were in the interest of the industry itself. The writer does not say that he entirely agrees with this view, or that simplification or modification cannot be effected apropos the returns to be submitted from time to time by different industries including the textile industry.


It will not be an exaggeration to say that especially to a foreigner we seem to be living in a welter of confusion and arguing distractedly with the impersonal forces of legislation and regulations. Yet things are not as bad as they seem. Older industries have expanded; newer industries have been set up. No doubt, our development could have been quicker, but the fact remains that there has been recognizable economic development. How then is the confusion sorted out? The Federation is represented on over 65 advisory committees and councils set up by the Central Government. To mention the more important ones : Advisory Committee on Capital Issues, Board of Trade, Central Advisory Council of Industries and its Committees, Coal Transport Advisory Committee, Customs and Central Excise Advisory Council, Direct Taxes Advisory Committee, Iron and Steel Advisory Council, National Shipping Board, Oil Advisory Committee, Purchase Advisory Council, etc. There are also other consultation channels. It is not unusual for Ministers of the Central Government to have a heart-to-heart talk with the Committee of the Federation or of the industrial or trade associations. The office-bearers of the Federation meet the Ministers and senior officials of the Central Government from time to time in order to discuss in an informal manner major decisions or proposals of the Government. From time to time the Prime Minister also is troubled. We write to him and/or call on him for discussions. Invariably, the response is sympathetic. The Planning Commission too in the process of formulation of the Plan holds



a series of discussions with persons representing particular industries in order to decide upon the various targets for the Plan period.

In general, therefore, it would seem that considerable opportunities already exist for frequent consultation between Government and business. Is the liaison, it may be asked, as good as it ought to be? Do the authorities take follow-up action on the suggestions made or even on the decisions taken? Do the representatives of the Government come to the meetings of these Advisory Councils which they themselves have convened on the basis of pre-conceived judgements or conclusions? The answer to these questions will depend upon whether one is an optimist or a pessimist. The writer for one feels that if the representatives of the commercial bodies go to these meetings well informed, they can undoubtedly pull their weight. Our commercial and industrial organizations require to be strengthened so that the difficulties that confront the business are dispassionately analysed. It is no good if businessmen like politicians hold 'opinions and impression.' They have to be reduced to facts and figures, so that the policies of Government can be dissected in an informed manner and we are able to show what impact the policy in question has on the working of business, and how, if business is affected adversely, it will also effect employment, Government revenues, etc.

It is in this light that the Federation has been endeavouring to function. Even before the official second and third Plans were brought out, the Federation published its own plans and our targets almost anticipated those of the official Plans. Further, the Federation organizes Seminars and Conferences on subjects of national importance. The main object of such get-together is the provision of useful forum where different interests could express their points of view and make suggestions embodying maximum amount of agreement that could be transmitted to Government. There are still many major unresolved problems; joint consultations and discussions are the only way to solve them. Our political institutions, though cumbersome their working might appear to be, insure the widest possible participation on the part of citizenry. Frictions there might be. Mistakes might have been committed. But in a democracy, the community has the right to uncover mistakes, and if it is vigilant, rapidly enough before the mistakes develop into grievous errors. Even more important, in democracy, Government and business can walk hand in hand notwithstanding intermittent quarrels and occasional attempts to shove or pull the other. Let us look forward, despite the uncertainties of today, to our economy forging ahead on the two essential wheels of lively private expansion and vigorous public investment.



## REVIEW OF DEVELOPMENTS IN SOCIAL ADMINISTRATION IN INDIA

*V. Jagannadham*

**S**Ocial ADMINISTRATION is concerned with the administration of social services. These services fall under three categories : (1) community services like health, education, and housing; (2) social security services like insurance and assistance, and (3) social welfare services like child welfare, women welfare, welfare of the disabled, delinquents and destitutes, etc. In all these matters, many developments have taken place since Independence.

Independence has brought about a great change in the objectives of the Government of India. This change is reflected in the Preamble of the Constitution, the Fundamental Rights and the Directive Principles of State Policy. All these emphasise the social objectives of the Government. Besides political liberty and equality of economic opportunities, social welfare and social justice find an honourable place. Discrimination on grounds of religion, race, caste, sex or place of birth is prohibited. Equality of opportunity in matters of public employment is declared as a fundamental right. The abolition of untouchability and declaring it an offence punishable in accordance with law, the abolition of titles, the solemn declaration against all forms of exploitation of persons, indicate how the concept of social justice pervades the Constitution. The Directive Principles, though different from Fundamental Rights in legal import, reflect the concern of the authors of the Constitution about the "social rights" of the citizens. Many of these "rights" are implemented through legislation enacted by Parliament or State legislatures.

Soon after the enactment of the Constitution, the country launched upon a series of five year plan programmes for socio-economic development. One fundamental principle underlying the plans is to accord, at least in theory, the same importance for social development along side with economic development, for it is difficult to achieve the latter without appropriate changes in the attitudes of citizens and structural changes in the social institutions. The emphasis on simultaneous social development has a great advantage in it, namely, it safeguards citizens from exploitation of the nineteenth century type. Besides precautions against exploitation, the Parliament, by a resolution in 1954, placed "socialist pattern of society" involving reduction of

a series of inequalities as the ultimate aim of development planning. From the Constitution and from the Plans one finds that welfare state and socialist pattern of society form the twin objectives of socio-economic planning and development in India since Independence.

#### PLANNING MACHINERY FOR SOCIAL SERVICES

India has adopted the method of democratic planning as a means to reach the goal of welfare state and socialist society. The Indian planners have devised a system of combining the popular and the expert elements in the formulation of their plans. This combination takes various forms such as panels, advisory committees and consultative committees. There were eight panels at the time of the preparation of the First Plan. Of these eight panels, there was one each for health, education and housing. There was also a panel for social welfare. The drafting of later plans was entrusted to the working groups. The absence of a working group for social welfare before the formulation of Second Plan was remedied by constituting one for the Third Plan. In the States, the Planning and Development Departments are concerned with the preparation of plans. Planning for social services is attempted both subject-wise and area-wise.

The financial allocations to various types of social and welfare services are as shown in the following table :

Plans	Edu- cation	Health	Hous- ing	Welfare of Back- ward classes	Social Wel- fare, Labour & Welfare	Rehabili- tation
First Plan	1660	1400	490	320	120	1360
Second Plan	3070	2740	1200	910	580	950
Third Plan	5600	3418	1420	1139	1490	400

#### PROGRAMMES

##### (a) Education

The administration had to face, in each plan period, the challenges thrown by quantitative expansion in the various fields of services. In the field of education, the number of students in schools increased from 23.5 million in 1950-51 to as many as 43.5 million in 1960-61—an increase of 85 per cent. The proportion of children attending schools in the age group 6-11 increased from 42.6 per cent to 61.1 per cent and in the age group of 11-14 from 12.7 per cent to 22.8 per cent.

The number of primary schools increased from 2,10,000 to 3,42,000 while that of high and higher secondary schools from 7,300 to 17,000. The number of universities increased from 27 to 26 and of colleges (excluding intermediate colleges) from 542 to 1,050. Special emphasis was placed on developing facilities for technical education which is the very basis of industrial development. Facilities in existing institutions were expanded and improved and 51 new degree colleges and 110 polytechnics were opened during the last ten years. The total intake of students in the institutions increased from 10,000 in 1950-51 to 39,400 in 1960-61. The annual intake of agriculture and veterinary colleges increased about fourfold. The promotion of scientific and technological research was given a high priority and a large number of new research institutions were established. These include 20 national laboratories and three regional research centres. The research departments of universities were also strengthened considerably.

Besides this expansion, the Central Ministry and State Departments of Education are engaged in introducing free and compulsory education, in reforming the educational system, in reducing the disparities in educational facilities in various States, in mitigating inequalities in educational facilities between rural and urban areas, and between boys and girls. In an endeavour to change the overall educational system many experiments have been carried out. The chief among them are the introduction of the basic system of education, the conversion of high schools into higher secondary schools and the adoption of the three-year degree course. Researches are being carried on to reduce the "wastage" which is prevalent in various forms at different stages. The introduction of general education, social education, national discipline scheme, etc. also deserve mention as part of the experiments to fit education to national needs. The education of the handicapped, of the scheduled castes and backward classes is receiving special attention. An extensive scheme of scholarships is introduced to help the backward classes. Merit scholarships are also introduced. It is needless to enumerate such developments as establishment of libraries, museums, etc. However, due to scarcity of material resources, trained teachers and technical equipment, progress in many fields is slow. With a view to overcoming some of the handicaps, the emphasis since Independence has been upon associating the statutory local bodies and the local community in the provision and management of educational institutions.

#### (b) *Health*

There was a considerable expansion of health services. A large number of new hospitals, dispensaries, health units and maternity and

child welfare centres were opened and special programmes for water supply and sanitation, control of communicable diseases and expansion of training facilities were undertaken. In 1950-51, there were 8,600 medical institutions with about 1,13,000 beds. In 1960-61, the number increased to 12,600 institutions with 1,85,000 beds. In addition, 2,800 primary health centres were opened. The number of medical colleges increased from 30 to 57 and that of doctors in practice or in service increased from 56,000 to 70,000. The entire population was covered by the Malaria Eradication Programme.

The health programmes consisted of the provision of water supply and sanitation, health services for mother and children, institution of measures to control communicable diseases and so on. The emphasis during the three Plans was upon an active campaign for securing better environmental hygiene, for establishing institutional facilities to serve as base from which services can be rendered to the people and for development of technical manpower through appropriate training programmes. Further, the prevention of deficiency diseases was considered to be an important responsibility of the public health programmes. For this purpose, researches have been and are being undertaken in the growth and physical development of children, control of dietary and nutritional diseases and prevention of protein malnutrition. In the fight against tuberculosis, a minimum programme has been developed with priorities for B.C.G. vaccination, clinical and domiciliary services, beds for isolation and treatment and aftercare. Steps are also being taken under various low cost housing schemes for improving the housing of the people. All these have resulted in a decline in death rate, and rise in longevity. Nevertheless, there is a wide variation in the intensity of efforts made by different States to tackle health problems and to control diseases. Notwithstanding the rise in the number of hospitals and the bed strength therein, the medical care in them leaves much to be desired. It is observed that intensive but uncoordinated temporary measures mark the handling of epidemic diseases. These should be replaced by more permanent measures for eradicating the diseases.

Early in the First Plan, the promotion of family planning was adopted as a public policy. Since then there has been increasing emphasis upon this programme and by 1960-61 there were 549 urban centres and 1,000 rural centres engaged in family planning service. A number of non-official organisations engaged in family planning work were given special financial and technical assistance.

#### *(c) Social Security and Labour Welfare*

Though a few aspects of social security and labour welfare laws were in operation for some time before Independence, social security

legislation, of limited scope, namely, the Employees' State Insurance Act, was passed in 1948 and brought into operation during 1952-53. This Act provides for sickness cash and medical benefit, industrial injury benefit, maternity benefit and dependent's benefit. These benefits are administered by a central Corporation and regional and local offices. Another aspect of social security, namely, the provision of benefits for retired employees in factories and mines under different provident fund schemes also came into operation between the years 1946-52. These funds are administered by Trust Boards under the Ministry of Labour and Employment. During the last few years, some States (Uttar Pradesh, Kerala, Andhra Pradesh, Madras, West Bengal) have also introduced old age assistance schemes.

The welfare of industrial labour has been receiving attention since the middle of the nineteenth century. The Factories Acts passed from time to time contained provisions about regulation of hours, conditions of work, safety measures, etc., but the Factories Act of 1948 has made a comprehensive provision for promoting the welfare of employees and it requires the appointment of a welfare officer in all establishments employing more than 250 workers. Mining and plantation laws contain appropriate provisions for welfare of labour employed therein. The principle of the levy of a cess per ton of coal or mica for promoting the welfare of employees therein breaks a new ground in financing welfare programmes. As illiterate and ignorant labour force is a hindrance to implementation of welfare programmes, workers' education scheme has been carried on for many years, but the scheme received a great phillip only with the appointment of the Central Board of Workers' Education in 1958. The subsidised industrial housing scheme, the low and middle income group housing schemes also benefit the labour population. Labour welfare funds are constituted out of money belonging to labourers such as fines, unclaimed wages, etc., but accumulating with employers. A new feature in the labour field is the formulation of codes of discipline, productivity and welfare. The establishment of works' committees, joint councils of management under a scheme of promoting industrial democracy are contributing towards entrusting responsibility to workers in promoting their own welfare.

Since Independence, industrial labour has received much attention but the programmes reflect a piecemeal approach. Social security is a patchwork of diverse schemes administered by multiple agencies for overlapping clientele. Labour welfare programmes are better taken care of in the factory than in the residential areas as a consequence of which the beneficial aspects of factory welfare is frustrated by a lack of welfare programmes in the community.

*(d) Social Welfare*

This subject covers a vast field and a wide variety of programmes. The field includes the welfare of women and children, of youth, of slum dwellers, of the victims of vice and crime (familiarily known as social defence programmes), of backward classes, scheduled castes and scheduled tribes and displaced persons. These are considered to be weaker or vulnerable sections of the community who require special care and protection of the community or state. The welfare programmes for these consist of (1) preventive services like special types of recreation, education, employment placement, financial assistance, socio-economic programmes involving encouragement of married women to occupy themselves in gainful work at home such as match industry, doll-making, etc.; (2) institutional care programmes like foundling homes, remand homes, special or certified schools, girls homes, etc., (3) rehabilitative and aftercare programmes by way of training and placement of the disabled, maladjusted and destitute people in suitable employment. Since its inception in 1953, the Central Social Welfare Board, and the State Boards have been active in promoting these welfare activities on their own initiative and by assisting the voluntary organizations in the field. The Governments too have started new institutions and departments. The constitutional obligations for promoting the welfare of scheduled castes, scheduled tribes and backward classes through education, employment, allotment of lands, house sites, financial assistance, etc. deserve special mention. A special officer called the Commissioner for Scheduled Castes and Scheduled Tribes looks after the fulfilment of the constitutional obligations. The Central Government programme for promoting the welfare of its employees operated through a special welfare officer in each ministry under the overall supervision of a Chief Welfare Officer in the Ministry of Home Affairs is noteworthy.

In addition, the Government of India is operating a contributory health scheme for the benefit of its employees, particularly in Delhi. State and local Governments, and voluntary welfare organizations have also been carrying on a variety of welfare activities under the impact of the consciousness that industrial urban growth should not result in accentuation of misery or exploitation.

The welfare scene, however, presents a bewildering picture. There is not a well thought out scheme of priorities in the programmes, because institutional relief is receiving greater attention than the preventive programmes. In an underdeveloped country the institutional programmes can never catch up with the growing needs. Programmes like the prevention of beggary, of slums, of unemployment, of diseases due to malnutrition or epidemic diseases should receive serious consi-

deration. The welfare ideology seems to be very much affected by curative rather than preventive programmes and services.

### (e) Training Programmes

All these expanded programmes in the different fields of social administration required trained personnel. The training programmes for personnel in social services like education and health were long established and fairly comprehensive. Besides the traditional ones, diversified training programmes were started for technical and semi-technical auxiliary personnel such as social education organizers, health visitors, etc. In the field of social security, there are hardly any training programmes for social security personnel. In between stand the training programmes for social welfare personnel ranging from training in established schools of social work to training in *ad hoc* institutions.

While the first school of social work was established in 1936, all the other schools of social work have come into existence after Independence. The first professional association, namely, the Indian Conference of Social Work also came into being in 1947. All the schools or departments of social work give post-graduate training while undergraduate training is given only in two or three schools/departments. In the most graduate schools and in some special institutes, the most favoured subject is labour welfare. The Ministry of Community Development and Co-operation and the Central Social Welfare Board, however, have organized programme-centred and/or orientation courses. Special institutions and training courses exist for the personnel employed in tribal welfare activities. These are organized by the State Governments with grants and assistance from the Central Government. There is a wide variety in the content and duration of the courses. Most of the courses are for the people in the service but some courses exist for non-officials also. A Family Planning Training and Research Centre was opened in 1957.

### EVALUATION OF PROGRAMMES BY COMMITTEES AND COMMISSIONS

Since Independence there has been a remarkable number of commissions and study teams to examine and recommend about improvements in social and social welfare services. The major reports on education are those of the University Education Commission (1948), the Secondary Education Commission (1952), the Assessment Committee on Basic Education (1957), and the National Committee on Women's Education (1959). In the field of health, the recommendations in the Report of the Health Survey and Development Committee, 1946, formed the basis of reforms and these were reviewed in the Report of



the Health Survey and Planning Committee in 1961. Periodically, the Estimates Committee and the Public Accounts Committee of the Lok Sabha also review and report upon the activities of the Ministries dealing with social administrations and suggest modifications in organization and procedures. The social insurance scheme has been reviewed once by a U.N. team (1955) and later by *ad hoc* committees and commissions. The Study Group on Social Security (1958) recommended an integrated administrative machinery for the industrial injury and retirement benefit schemes. The forty-ninth report of the Estimates Committee of the Second Lok Sabha reviewed the E.S.I. Corporation and Provident Fund Organization. In the field of social welfare the report of the Backward Classes Commission (1955), the twenty-third report of the Estimates Committee (1957-58) on Central Social Welfare Board, the Programme Evaluation Organization Report on the Working of the Welfare Extension Projects (1959), the Study Team on Social Welfare and Welfare of Backward Classes (1959) and also the report of Dhebar Commission constitute major landmarks. These contain valuable information about the existing conditions in each field of activity and make recommendations about the improvements in the same. The Ministry of Community Development and Co-operation appointed a Study Group in 1960 to study the impact of development activities upon the welfare of the weaker sections of the community. The Study Group submitted its report in 1961 in which it had drawn attention to the need to review annually the execution of programmes by a sub-committee of the Cabinet and by the Informal Consultative Committee of the Legislature at the Centre and the States. It emphasized the need for closest consultation and coordination between the Centre and the States.

#### LEGISLATIVE CHANGES

Legislation affecting the three branches of social administration has grown considerably after Independence. In the field of education, the Delhi Primary Education Act of 1960 is noteworthy as this is the first of its kind in the field of compulsory education and is expected to serve as a model for other States. In the field of health, the Union Government has prepared a model health bill but barring Madras, which enacted a Public Health Act in 1938, very few other States have satisfactory health legislation. In social security, the important laws are : the Employees' State Insurance Act, 1948, the Coal and Mica Mines Provident Fund laws, the Employee's Provident Fund Act, 1952, and the amendment in 1957 to the Industrial Disputes Act of 1947 whereby a scheme of retrenchment benefit is introduced. Social welfare legislation may be considered under two heads ; (1) Social

reform and (2) Social rehabilitation. The former consists of laws removing disabilities under traditional society. Under this head fall (1) the untouchability removal law; (2) the Hindu Marriage, Succession, Adoption, Guardianship, and Maintenance laws, of 1955-56. Under the second head fall : (1) the Suppression of Immoral Traffic in Women and Children Act 1956, (2) the Delhi Children Act 1960. Two other Acts which have a bearing upon the management of voluntary social welfare institutions are (1) the Women and Children's Institutions (Licensing) Act 1956, and (2) the Orphanages and other Charitable Homes (Supervision and Control) Act, 1960. The prohibition laws and the laws banning and/or punishing beggary also deserve mention.

#### ORGANIZATIONAL CHANGES

The organizational changes are as conspicuous as the expansion in programmes in every field of social administration. Education and Health were formerly two divisions of a combined Department of Health, Education and Lands. In the field of education, a separate Ministry was created in 1947. In 1958, an additional Ministry was created for Scientific Research and Cultural Affairs. With the expansion in the volume and variety of activities not only the number of departments and divisions in each Ministry have increased, but also the advisory bodies, which number about 15 in the Ministry of Education alone. The Union Government has certain special responsibilities in the matter of higher education and educational institutions. In order to discharge these responsibilities, the University Grants Commission was set up in 1953 and in 1956 it was converted into a statutory body. The experiments in primary basic education and secondary education also have called for considerable additions to organization by way of constitution of separate Boards for different aspects of education.\* In 1961, a National Council of Educational Research and Training was constituted to coordinate the work of the various Councils and Boards under one agency called the National Institute of Education.

As with education, so with health. A separate Ministry of Health was constituted in 1947. In the same year, the Indian Medical Service was abolished. A Central Council of Health was constituted in 1952. This Council has provided a forum for exchange of views and discussion of important problems on an all-India basis. The Union Health

\* Central Bureau of Text Book Research, 1954; National Institute of Basic Education, 1956, the All-India Council for Secondary Education 1955, the Directorate of Extension Programmes for Secondary Education 1959, National Council for Education of Women, 1959, and State Councils for Women's Education, National Institute of Audio-Visual Education, 1959.

Ministry has created twenty-five advisory bodies. In collaboration with the W.H.O. it has introduced many national schemes and assists State Governments in the implementation of the schemes.

The developments in the organization for social security are also noteworthy. The scheme is administered by the E.S.I. Corporation. The Standing Committee and five principal officers form the executive limb of the Corporation. While the headquarters organization of the Employees' State Insurance Corporation and its Standing Committee remained as originally formulated in the Act, the pattern of regional organization has changed in so far as each State has today a regional office of its own. To the local offices it became necessary to add sub-offices and pay offices. The administration of medical benefit called for a considerable degree of experimentation in the adaptation of panel and service systems, in the mutual financial and administrative relationships between the State Governments which statutorily administer medical services and the E.S.I. Corporation which ultimately shares the responsibility for the satisfactory working of the scheme. Certain amendments have been suggested to the statute with a view to liberalizing the scheme and remove the frictions in the operation of the Act.

There is a parallel organization for the administration of provident fund schemes for the employees in factories and mines. In view of the complementary nature of and commonness of personnel under the schemes, a Study Group under the chairmanship of V. R. K. Menon has suggested the creation of an integrated administrative organization. This recommendation is still under the consideration of the Union Government. Social assistance measures are administered by the State Governments under one or the other of their established departments, such as Labour or Revenue or Welfare. These schemes do not have any organic relationship to the other social security measures such as industrial injury or retirement benefit scheme.

The developments in the field of social welfare organization are many and varied. Two Social Welfare Divisions—one in the Planning Commission and the other in the Ministry of Education—have been created. The establishment of the Central Social Welfare Board in 1953 under the Ministry of Education is an outstanding event in the history of social welfare administration. Though the Central Social Welfare Board is attached to the Ministry of Education, it has been virtually operating as an autonomous body. The Central Social Welfare Board has devised new methods and established new institutions for the planning and execution of social welfare programmes in an economically developing country. Its emphasis on socio-economic programmes as a necessary part of the education and rehabilitation of the victims

of neglect, poverty, crime or vice in traditional or emerging societies helps to correct the notion that social welfare is the business of sentimental lady-bountifuls. Its emphasis on prevention and rehabilitation of the victims led to the creation of a countrywide network of programme implementation committees and welfare extension projects in rural and urban areas, to the encouragement to balwadis, sishu vikas viharas and mahila mandals as necessary agencies for effecting among people attitudes appropriate for economic development. It has created State Welfare Advisory Boards in 1954. It has developed a system of release of grants-in-aid and coordination techniques. The Bharat Sevak Samaj, which was sponsored and supported by the Union Government, has also followed new paths of mobilizing public co-operation for socio-economic development. It organizes labour service camps, undertakes construction works and operates through its State and local branches.

#### PROCEDURAL CHANGES

Besides organizational changes, the period under review has also witnessed some changes in methods of work. Apart from delegation of financial and other powers to the Ministries and departments, the implementation of democratic decentralization has brought about considerable delegation of authority to local authorities at the district, block and village levels. Further, the need for a team work in social development programmes has led to the introduction of procedural improvements for effecting coordination between one department and another. The coordinated work of the Central Social Welfare Board and the Community Development officials is a case in point.

#### TRENDS IN SOCIAL ADMINISTRATION

Anyone who observes the development since Independence would be struck by the concern and commitment of the state to bring about a harmonious socio-economic development with emphasis on reform of existing and the prevention of new social evils due to industrial urban growth. There is a vast expansion in the number of variety of social services undertaken by the state or voluntary organizations. A new partnership is growing between these two types of organizations. The rural areas also are receiving a great deal of attention. There is lately a growing awareness of the importance of quality in service rather than a mere expansion in the number of institutions or programmes. For this purpose attention is paid to the systematization of grants-in-aid, to the imparting of training and employment of trained personnel and evaluation and research. At the organizational and administration

levels, also, there is a trend towards more rational formation of departments or directorates of social welfare at the secretariat level, employment of trained personnel as welfare officers in the district and other field levels. Many States have created for the first time directorates or departments of social welfare. Attempts are being made to bring together related branches of social welfare. There are Departments or Directorates of Social Welfare in Maharashtra, Madhya Pradesh, Mysore, Madras, Punjab, Rajasthan and West Bengal either separately or in combination with departments of Backward Classes or Education or Labour. These are, no doubt, trends in the right direction but there are certain ideological conflicts, organizational hurdles and administrative bottlenecks which deserve attention.

#### PROBLEMS IN SOCIAL ADMINISTRATION

##### (a) *Ideology*

The ideology of a balanced socio-economic development is more honoured in breach than in observance. The emphasis is predominantly upon economic development. This is evident from the decline in percentage allocations to social services from one plan period to another (see table below), whereas the objectives of balanced development of welfare state and of the socialist pattern of society demand a rise not only in absolute but in percentage allocations also.

Year	Outlay (Centre & State)	Outlay on Social Services	Outlay on Social Services as % of Outlay (Centre and State) (% of Column 2.)
(Rs. in millions)			
First Plan (1951-56)	23,550	5,530	22.75
Second Plan (1956-61)	48,000	9,450	19.60
Third Plan (1961-66)	75,000	13,450	18.00

This decline in percentage allocation stands in contrast with the increasing emphasis laid upon investment upon services for developing human capital. The gap between ideological profession and the actual provision for social services and their administration reflects the low order of priorities for social administration in the plan. The vagueness in ideology is also responsible for the blurred priorities not only

between economic and social development but also among social services, social security and social welfare programmes. In so far as social administration is to contribute to and benefit from economic development, the priorities among these must have been governed by this consideration. During a similar situation in the Soviet Union, the allocations to education and health were far more in proportion than in India; comprehensive programme of social security was formulated and executed so that social welfare does not appear as a separate sector of social administration. It is time to review the interrelationships between the three sectors of social administration from a long range point of view and formulate a perspective plan of social administration bearing in mind the emerging social order, the problems that arise therein and the preventive, curative and rehabilitative framework and service programmes. There is no attempt at such perspective planning for social development under the existing arrangements. Allocations to social development programmes rank low; they are subject to cuts during emergencies and are swayed by pulls and pressures of persons in charge of programmes. This phenomenon leads to a state of drift, conflicts, overlapping and wastage in scarce resources. The gaps in ideology, the gulf between profession, policies, and programmes deserve to be as much narrowed as rational planning and political expediency permit.

#### (b) Organization

The absence of a rational organization for social services and their administration is another serious lacuna in the field. Community services, social security and social welfare subjects are scattered without much thought about the rationale of location or efficiency in operation or possibilities of coordination. The federal nature of the Indian Constitution also adds to the complexities in rational organization. At the municipal, Samiti and State levels there is need for a separate department for each substantive subject-matter programmes such as education and health and social welfare. While health and education form part of the structure of the established local and State Governments, the social security and some social welfare organizations have their local offices apart from the statutory local bodies. This arrangement leads to an unnecessary duplication of *ad hoc* local bodies, which cannot act together. At each of these levels, however, one can seldom exaggerate the need for a more unified organization, a better team approach in the formulation of plans, mobilization of resources and deployment of services both among the government departments and as between statutory and voluntary bodies.

The appropriate organization for social services at the Union Government level in a federal state is everywhere a thorny problem.



In all federations, the central government has during peace time larger resources than its responsibilities demand and these could be made available to state and local governments where needs outstrip resources. The social services generally fall under the exclusive powers of state governments in respect of which the central government could not justifiably establish elaborate organization for subjects over which it has only assisting but not operating functions. In most federal states, therefore, the central government has a combined, instead of a separate, ministry of health, education and welfare. This solution may not commend itself to the existing situation in India but the present scattering and fragmentation of community services, social security and social welfare functions under the Government of India over half a dozen separate Ministries cannot be justified on any count. The Indian Conference of Social Work has suggested the creation of a separate Ministry of Social Welfare; the Renuka Ray Committee has, as a long term measure, suggested the creation of Social Security and Social Welfare Ministry; and, as a short term measure, recommended the creation of a Department of Social Welfare in the Ministry of Education. There are at present only a Social Welfare Division in the Planning Commission; another in the Ministry of Education besides the Central Social Welfare Board. In view of the increasing commitments and responses to international aid and agencies in social services, there is need for a separate Ministry of Social Affairs. The status of such a Minister should be that of Deputy Prime Minister. There appears to be a need for restructuring of the Cabinet wherein there should be provision for Deputy Prime Ministers to coordinate the activities of related Ministries. It is worthwhile to have one Deputy Prime Minister for Social Affairs under whom there will be Ministers for Education, Health, Housing and Urban Development, Social Welfare, Labour and Employment, Social Security and Community Development. With the necessary alterations arising out of the suggested arrangement, it is hoped that the Deputy Prime Minister would be the coordinating agency at all levels of formulation of plans, assistance to agencies, directions to the States and handling the international obligations. It is worthwhile to consider whether instead of several ministries dealing partly with social services there can be two or three ministries exclusively dealing with these functions and several statutory Boards, Directorates or Corporations for certain special functions. In this context the example of Central Social Welfare Board commends itself and the conversion of the Board into a statutory body is long overdue.

There is a great proliferation of Advisory Boards or Councils. Dissatisfaction prevails about the appropriate use of these bodies. The departments view the advice tendered by these Boards to be either